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U.S. Foresees A Tight but Highly Lethal Military Force

5-Year Strategy Seeks Capability of Winning Simultaneous Conflicts
By Paul Horvitz
International Herald Tribune
WASHINGTON — After four decades of planning for war against the Soviet Union, U.S. strategists announced a blueprint Wednesday to shrink and reconfigure the American military so that highly mobile, highly lethal forces could win two major regional conflicts at the same time.
The new strategy, which would be implemented over the next five years, requires the continued presence of 100,000 American troops in Europe and 98,000 in Korea and Japan, levels that are unchanged from recent U.S. plans. Joint military exercises would be more frequent, and the advance positioning of equipment in Korea and Southwest Asia would be accelerated.
U.S. Navy ships would continue to patrol the Pacific and Mediterranean and the waters off Southwest Asia, but fewer aircraft-carrier de-

NATO seems cool to quickly taking in the former Warsaw Pact nations, Page 2.
ployments and more helicopter-carrying amphibious assault ships might be seen, the Pentagon said.
President Bill Clinton has approved the strategy, which alters the fundamental concept of a U.S. fighting force to meet new enemies in new places now that the Soviet Union has dissolved. Its economic and political benefit is that it allows the president to offer future defense budgets that are significantly smaller than had been envisioned only a few years ago. The U.S. Navy, for example, would have 45 to 50 submarines, down from 61, and a range of planned aircraft would be canceled.
The "bottom-up" U.S. review was based on certain assumptions, one being that the kind of regional war the United States might face could be an invasion of South Korea by North Korea or an invasion of Kuwait and Saudi Arabia by a reinvigorated Iraq. These potential threats were chosen for planning purposes and should not be regarded as a prediction of future conflicts, the Pentagon review said.

Even if two such conflicts emerged at nearly the same time, the strategy still envisions that there would be additional U.S. forces available for lesser threats in the Caribbean or Mediterranean.
A related assumption was that the threats of the future would come on short notice from rogue leaders bent on regional domination, from the spread of nuclear and chemical weapons, and from threats to democratic changes in Russia and Eastern Europe.
To meet these contingencies, Defense Secretary Les Aspin and General Colin L. Powell, chairman of the Joint Chiefs of Staff, sketched a U.S. military that is smaller in nearly every category except the U.S. Marine Corps, that envisions even more "smarter" weaponry than was on display in the 1991 Gulf War, that can move very quickly in smaller units, and that stresses tactical missile defense systems such as the Patriot over strategic or nuclear missile defenses.

Gone is the plan to surge across the Atlantic to meet a Soviet invasion. Gone is the hair-trigger readiness for global nuclear conflict. Gone is the perceived need to station more than 300,000 troops in Europe, a level seen only five years ago.
"We have to be ready to fight in a range of places," General Powell said.
The new U.S. Army, strategists said Wednesday, will move in brigade rather than division strength. Its arsenals will increasingly consist of armor and supplies positioned in advance at bases abroad or on ships at sea. It will need more fast ships, more precise bombs. And as a cost-saving measure, the air force and navy plan to build a new generation of attack jet that would have different silhouettes but as much as
See DEFENSE, Page 6

Yeltsin Orders Suspension of Vice President

By Margaret Shapiro
Washington Post Service
MOSCOW — President Boris N. Yeltsin ordered the suspension Wednesday of a bitter rival, Vice President Alexander V. Rutskoi, for alleged involvement in a highly politicized corruption scandal.
Mr. Yeltsin also removed Deputy Prime Minister Vladimir F. Shumekin, a close associate, for the same reason.
An official spokesman said Mr. Yeltsin signed a decree Wednesday temporarily removing both men from office because corruption allegations around them was damaging the government. The length of the suspension would depend on the outcome of an investigation into the allegations, said Mr. Yeltsin's spokesman, Anatoli Kravtsov.
Mr. Rutskoi's dismissal is in many ways purely symbolic. Once allies, the two split over Mr. Yeltsin's decision to push ahead with radical economic change. Mr. Yeltsin long ago took away all of Mr. Rutskoi's duties, most of his staff and security detail, and the official trimmings of office.
Mr. Yeltsin's decree appears aimed in part at stopping the growing perception of out-of-control corruption pervading Russia's political establishment. But it is also being seen here as the opening move in what is expected to be a bitter political struggle between the president and his conservative opponents.
The decree is certain to set off controversy
See RUSSIA, Page 2



Palestinian women attending a West Bank meeting Wednesday of the radical Hamas group, held to protest the Israeli-PLO accord.

Bosnia Peace Negotiations Fall Apart

By Alan Riding
New York Times Service
GENEVA — The latest international effort to end the war in Bosnia-Herzegovina collapsed unexpectedly Wednesday night after Bosnian Muslims refused to accept a draft peace agreement unless their Serbian and Croatian enemies were willing to cede them more territory.
Hours earlier, Muslim, Serbian and Croatian officials all said that a final accord seemed to be within reach, while UN officials were already turning their attention to formation of the expanded international peacekeeping force needed to carry out the peace plan.
But, in the end, both Serbs and Croats rejected Muslim demands for more territory in eastern Bosnia and northwestern Bosnia and for rights over Bosnia's only port on the Adriatic Sea, at Neum. All the parties as well as the mediators then decided there was no purpose to continuing the negotiations.
Alija Izetbegovic, the president of Bosnia's Muslim-dominated government, said that his delegation had already made "painful and unjust concessions." He blamed the failure of the talks on "those who have benefited most from this war."
Slobodan Milosevic, the president of Serbia, and Franjo Tudjman, the president of Croatia, who were participating in the meetings here, both blamed the Muslim leadership for the new crisis. The Bosnian Croat leader, Mate Boban, added that "the barbers of death" had broken up the talks.
The only glimmer of hope was that all sides pledged not to intensify the war and insisted that they were ready to resume the negotiations
See BOSNIA, Page 2



THE END — Fyona Campbell of Scotland, 26, celebrating a 10,000-mile walk of Africa, south to north, on Wednesday in Tangier. She left Cape Town in April 1991.

Jordan Set to Ratify Mideast Agreement

Mutual Recognition by Israel and PLO 'May Happen Soon,' Peres Declares

By William E. Schmidt
New York Times Service
CAIRO — A senior Jordanian official said Wednesday that his government was ready to ratify the broad outline of a future peace treaty with Israel, once the Palestinians and the Israelis sign their own accord on limited Palestinian self-rule in the occupied territories.
The remarks were the first clear acknowledgment among Israel's Arab neighbors that the sudden and surprise breakthrough between Israel and the Palestinian leadership would now push other Arab governments involved in the Middle East peace talks in press forward with their own separate agreements with Israel.
The Israeli foreign minister, Shimon Peres, said recognition was close, news agencies reported. He said such an accommodation on recognition "may happen rather soon." But he also warned: "We may discover unknown burdens in our way, so I would be careful."
A Palestinian spokeswoman, Hanan Ashrawi, said in Washington that there could be "a genuine breakthrough on that front." At PLO headquarters in Tunis a senior PLO official, Yasser Abed Rabbo, predicted mutual recognition within days.
The Jordanian official, who spoke in a telephone interview on the condition he not be identified, said: "Now that the Palestinians have shown movement and progress, it is likely we will be able to move ahead, too. What is happening now is a good sign, because we have always believed in a comprehensive peace."
The official said Amman was willing to accept what he described as an "agenda" outlining a future peace settlement between the two countries, which would then enable the two governments to move forward on negotiations toward signing a formal peace treaty.
The terms of the agenda, governing such matters as allocation of water rights from the Jordan River and the right of return of Palestinian refugees who fled to Jordan following the 1967 war, had been agreed in earlier negotiations but had been held in abeyance pending movement in talks between Israel and Jordan's Arab partners, including the Palestinians.
There have also been unconfirmed reports that Syria and Israel have had extensive negotiations during the Middle East peace talks over the Golan Heights, but President Hafez Assad of Syria and other officials have refused to consider or discuss any separate agreement until the larger question of the Palestinians had been discussed.
Quoting an unidentified official of the Palestine Liberation Organization, Reuters reported

from Amman that Israel was holding secret talks in Spain with Syria and Lebanon to discuss separate agreements with the two nations. The Spanish Foreign Ministry and U.S. Embassy officials in Madrid could not confirm the report and said they had no information about any such talks taking place in Spain.
The Israeli and Syrian delegations in peace talks in Washington denied that their countries had been holding secret negotiations in Spain.
[On Tuesday night, PLO and Israeli officials left Oslo, where they had met secretly since Sunday, the PLO representative, Nabil Shaath, told The Associated Press. The PLO officials returned to their headquarters in Tunis, from where they were continuing their contacts with the Israelis by phone, he said.]
While hard-line Palestinian and militant Muslim organizations have angrily condemned

the draft accord between the Israelis and the Palestinians, the public pronouncements coming from Jordan, Syria and Lebanon — the three frontline Arab states still officially on a war footing with Israel — have until now maintained a cautious, even frosty, distance from the surprise peace talks.
Meanwhile, the three governments have engaged in a round of furious shuttle diplomacy over the last 36 hours, acknowledging that the reports of the secret Palestinian-Israeli talks had caught them by surprise.
King Hussein of Jordan met with Mr. Assad on Tuesday, and Foreign Minister Faris Bouez of Lebanon traveled to Damascus on Wednesday for meetings with the Syrian leader.
In remarks to reporters, Mr. Bouez has raised doubts that the draft accord between Israel and the Palestinians goes far enough, and Syria's government-run newspapers have criticized the PLO leadership for breaking Arab ranks and negotiating secretly with Israel.
Mr. Peres said at a Jerusalem news conference Wednesday that a declaration of principles on Palestinian autonomy was ready for immediate signature independently of PLO-Israeli recognition, Reuters reported.
"The declaration of principles was approved by the two sides," he said. "It stands on its own. In my judgment it is ready for signature."
The principles cover interim self-rule for the 2 million Palestinians under Israeli occupation, beginning with an Israeli troop withdrawal from the Gaza Strip and the West Bank town of Jericho.

Breakthrough Brings Threat Of a Resurgence in Terrorism

By Barry James
International Herald Tribune
The breakthrough in the Middle East peace process has dramatically increased the likelihood of terrorist attacks by groups determined to wreck the agreement, according to security experts.
"It's inevitable," said Robert H. Kupperman of the Center for Strategic and International Studies in Washington. "Not only will there be terrorism in the Middle East, I think there will be terrorism in the United States as well."
According to anti-terrorism sources, the threat has brought about extraordinary cooperation between the Israeli secret service, Mossad, and the intelligence apparatus of the Palestine Liberation Organization.
Their common task is to prevent assassination attempts against Mr. Arafat and Prime

Now Comes the Hard Part: Selling the Peace in Israel

By Clyde Haberman
New York Times Service
JERUSALEM — On the streets and in the political back rooms, the Israeli government has begun its campaign to sell the tentative peace agreement with the Palestinians to an uncertain public and to parliament.
Senior officials predict success in both arenas. But they acknowledge that sizable blocks of skeptics still need to be persuaded that handing over partial authority to Palestinians in the Gaza Strip and West Bank, and giving a seal of approval to the long-hated Palestine Liberation Organization, will not put them in peril.
And they must contend with an unyielding core of enemies on the political right, conspicuously among settlers in the territories, who threaten massive civil disobedience, raising a specter of Jew battling Jew over the future of the land.
Prime Minister Yitzhak Rabin got a taste of the possibilities Wednesday when angry protesters yelled "traitor" and hurled eggs in his direction as he toured several schools in Jerusalem on the opening of the new academic year. While Mr. Rabin shrugged off the demonstrators, they could nonetheless be the harbinger of many more to come.
Foreign Minister Shimon Peres said that he expected "a clear majority" to support the draft agreement that he had worked out in secret with senior PLO officials. But he agreed that the government had to reassure nervous Israelis that their security would not be compromised as they step onto unknown political terrain.
It is not just that Israelis as a people are divided on the existential issues of peace, land and security, he said. Rather, "every Israeli is divided" within himself.
"If the Israeli public will be convinced that there is a fair answer to the issue of security," Mr. Peres told reporters. "I imagine that the majority of every Israeli — and for that reason
See ISRAEL, Page 6

A Remount (and Potshots) for the Kaiser

By Brandon Mitchener
International Herald Tribune
FRANKFURT — Almost 50 years after he was shot off his horse by American artillery at the close of World War II, Kaiser Wilhelm I, founder of the second German empire in 1871, will return Thursday to his historic home where the Moselle meets the Rhine.
Wilhelm's return to Koblenz, halfway between Bonn and Frankfurt on a site steeped in history, falls on Sept. 2, the anniversary of Germany's 1870 military defeat of France at Sedan.
"Nobody in Germany remembers the fact, and hopefully nobody in France does, either," the Frankfurter Allgemeine Zeitung wrote in a critical editorial.
The Kaiser is a 14-meter copy of an equestrian statue originally unveiled in 1897 by Wilhelm's successor, Wilhelm II, the last German emperor. The largest equestrian statue in the world at the time, it came to symbolize Germany's formation as a nation in 1871 and later, Germany's military power. Dressed in uniform, the emperor faced downriver toward France until 1945, when he was replaced by a German flag.
While France has not complained officially

سكوا من الاصل

NATO Family Cool to Taking In Warsaw Pact Orphans

WORLD BRIEFS

By William Drozdiak
Washington Post Service

PARIS — The NATO allies appear reluctant to embrace Poland, Hungary and other East European countries as full members of the Atlantic alliance in the near future, even though Russia now seems less hostile to the idea.

Senior alliance diplomats said Western governments remained wary about extending NATO membership to any former members of the defunct Warsaw Pact because such a move could antagonize Russian nationalists and arouse Moscow's ancient fears of encirclement.

The diplomats also said the North Atlantic Treaty Organization still needed to define its mission in the post Cold War era — the principal issue of a NATO summit meeting to be held in January — before responding to appeals from Eastern na-

tions increasingly worried about a security vacuum in their region.

In a significant policy change, however, President Boris Yeltsin of Russia appeared to give Moscow's tacit approval for Poland to join the Western alliance. During a visit to Warsaw last week, Mr. Yeltsin said he "understood" Poland's motives in applying for NATO membership and, in a joint declaration with President Lech Walesa, said such a move "did not run counter to the interests of any state, including Russia."

But NATO diplomats said there was considerable skepticism about whether Mr. Yeltsin's position was shared throughout Russia's political and military hierarchy. "Right now, the prevailing wisdom is that bringing in Poland or any other state would be risky and self-defeating for the alliance as a whole," a senior official said. Besides concern about Russia's reaction,

there is a deep anxiety within the alliance that incorporating Eastern states would embroil NATO in the region's ethnic rivalries and ensnare allied forces in the kind of blood feuds that have erupted in the former Yugoslav republics.

Skeptics also fear that adding new members would provoke a stampede of countries demanding shelter under NATO's security umbrella that would bloat the organization and undermine its basic principle of collective defense, in which an attack on one country is deemed an attack against all.

Those in favor of NATO's eastward expansion argue that the alliance must adapt to Europe's changed security environment or it will become irrelevant. Bringing the East's ethnic troubles and security problems into the alliance, they say, would make finding solutions easier because con-

flicts would be handled "within the family."

Senator Richard G. Lugar, Republican of Indiana, a member of the Senate Foreign Relations Committee, said he believed that full membership for Poland, Hungary and the Czech Republic would help stabilize the infant democracies in Eastern Europe and encourage the alliance to face up to the continent's new security threats.

Senator Lugar, who is touring European capitals to drum up support for a dramatic overhaul of NATO in advance of the January summit meeting, said in an interview that the alliance "needs new members as well as new missions." He said that extending NATO's mutual defense contract to the three states would not prove a burden but instead would prod the alliance into managing crises beyond its traditional borders.

Senator Lugar said "the wait-and-see attitude" adopted by the United States and

its allies could cause them to lose an opportunity to anchor Poland, Hungary and the Czech Republic in the Western alliance at a time when the three countries desperately wanted a commitment that would buttress their transitions to free-market democracies.

Partly to assuage their security worries, NATO has established the North Atlantic Cooperation Council as a forum for consultations with governments from Eastern Europe and the independent states of the former Soviet Union.

The council was set up to serve in association with the NATO alliance so that the countries involved could share ideas on defense planning, peacekeeping functions and the role of the military under civilian political leadership in a democracy. But the experience has proven less than satisfactory for the Eastern states.

U.S. Is Set to Renew Hanoi Sanctions

WASHINGTON (Combined dispatches) — Vietnam has cooperated with efforts to account for missing U.S. soldiers, but President Bill Clinton will shortly renew the U.S. embargo on Hanoi, according to Winston Lord, a senior State Department official.

Mr. Lord, assistant secretary of state for East Asian and Pacific Affairs, said that on Sept. 14 "the president's authority to conduct embargoes against certain countries — and this includes Cuba and North Korea and a few others as well as Vietnam — lapses unless he chooses to renew it." He added, "You can be sure that on Sept. 14 the president will be renewing his authority at least toward these countries."

Vietnam reacted cautiously Wednesday. "We do not have the full text of the statement by Mr. Winston Lord, so we do not want to make any comment on it at this time," a Foreign Ministry spokesman said. "If the statement of Mr. Winston Lord includes anything that could compromise the process of normalization between the United States and Vietnam, we will ask for an explanation from the United States." (AFP, Reuters)

U.S. Warns on Thai Workers in Libya

BANGKOK (AFP) — The United States has urged Thailand to bring home Thai citizens working in chemical and nuclear facilities in Libya, an official said Wednesday. A senior U.S. diplomat met Interior Minister Chaovalit Yongchaiyut and labor officials this week to convey the message, the official added.

About 25,000 Thais work in Libya, many of them not registered with the Labor Department here, an official said. About 200 of them are estimated to be working in nuclear weapons facilities, press reports said Wednesday.

The United States is seeking the extradition from Libya of suspects charged with planting a bomb on the Pan American airliner that blew up over Lockerbie in Scotland in 1988. Earlier this year the United States warned three countries that it could not guarantee the safety of their workers if Washington took military action against Libya.

China-Taiwan Talks Break Down

TAIPEI (Reuters) — Talks between Taiwan and China broke down without agreement in Beijing on Wednesday, Taiwanese media reported.

The talks, the first negotiations between the two sides since they agreed to establish a system of regular contacts in April, were to discuss the repatriation of illegal Chinese immigrants and the harmonization of the two legal systems, among other issues.

But Taiwan pulled out of the talks on the third day because China refused to negotiate in good faith, Taiwan state radio and television said. They quoted Hsu Hui-you, head of the Taiwan delegation, as saying China wanted to change the agenda and demanded that Taipei return four Chinese hijackers who commandeered three airliners to Taiwan in separate incidents in recent months.

U.S. Won't Fight Demjanjuk Return

WASHINGTON (AP) — The Justice Department said Wednesday that it would not oppose the return of John Demjanjuk to the United States but would seek his deportation if he returned. The 73-year-old former Cleveland autoworker could be freed by the Israeli authorities as early as the end of the week if Chief Justice Meir Shamgar of the Supreme Court rejects an appeal filed Wednesday by Nazi hunters and others seeking to retry him.

Attorney General Janet Reno said her department would not seek an emergency stay from the U.S. Supreme Court of an order by the 6th U.S. Circuit Court of Appeals. The order permits Mr. Demjanjuk to return to help with the appeal of his extradition.

The Israeli Supreme Court on July 29 overturned Mr. Demjanjuk's 1988 conviction of being "Ivan the Terrible," a notorious gas chamber guard at the Treblinka death camp in Poland, where 850,000 Jews were killed during World War II. The court cited new evidence from the former Soviet Union.

Correction

In a dispatch from Beijing in Aug. 31 editions, the name of the Chinese Communist Party chief was inaccurately rendered by the International Herald Tribune. This inaccurate spelling of Jiang Zemin's name had appeared in other accounts in the past.

TRAVEL UPDATE

Poland opened a second border crossing with Lithuania to trim waiting time, Warsaw officials said. The crossing from Budzisko, in northeastern Poland, to Kalvarija in Lithuania will be reserved for the exclusive use of trucks. It will relieve part of the traffic at the Odrogniki-Lazdijai checkpoint. (AP)

The Folies Bergere, the landmark Paris cabaret famed for its topless beauties in sequins and feathers, reopened Wednesday with a glitzy new show staged by Alfredo Arias of Argentina. The Folies had been forced to shut down in December because of financial difficulties. (AP)

BOSNIA: Peace Talks Collapse

Continued from Page 1

when progress seems possible. "We will do our utmost to keep the package on the table," the European Community's mediator, Lord Owen, said Wednesday night.

The plan drawn up by Lord Owen and the UN envoy, Thorvald Stoltenberg, involved partitioning Bosnia-Herzegovina into autonomous Muslim, Serbian and Croatian republics, with the cities of Sarajevo and Mostar demilitarized and placed under international rule for a two-year period.

It would give the Muslim republic around 50 percent of territory, compared to the 10 percent that Muslims now control. The Serbs, who occupy 70 percent now, would retain just over 52 percent, while the Croats, who hold 20 percent now, would be given close to 18 percent.

Mr. Iztetbegovic's main complaint — as well as that of the Muslim-dominated Bosnian parliament that debated the peace plan last weekend — was that Serbs would be "rewarded" with towns and territory seized by force and subjected to "ethnic cleansing."

When talks resumed after a 10-day break, however, Mr. Iztetbegovic focused his demands on access to Neum on expansion of the northwestern enclave of Bihać to incorporate the town of Prijedor and on broadening the corridor

linking the Srebrenica-Zepa enclave to Gorazde in eastern Bosnia. But the Croats rebuffed him on Neum, while the Serbs merely offered a two-mile (three-kilometer) wide corridor of territory between Srebrenica-Zepa and Gorazde — instead of the Muslim-controlled highway proposed in the peace plan — and refused to cede more land around Bihać.

"It's a tragedy they could not come to a solution," said Charles Redman, the U.S. special envoy on the former Yugoslavia, who had been following the negotiations closely in recent weeks. "They were very close to an agreement, but I accept Iztetbegovic's reasons."

It is now far from clear what will happen next. "Who knows?" Lord Owen said, clearly dismayed by the collapse of the third internationally brokered plan to bring peace to Bosnia.

With winter fast approaching, the situation seems to be particularly bleak for the Muslims since few experts believe they can improve their position at the bargaining table by allowing the war to continue or intensify, not least because they have obtained less in each successive peace plan.

Rather, their only remaining card seems to be international intervention, either on the ground or in the negotiations, to press the Serbs and Croats to make concessions.

Ethnic German Influx Slowing, Bonn Reports

Several leftist and liberal groups, including Chancellor Helmut Kohl's ombudsman for foreigners, have called on Bonn to liberalize its citizenship laws as a way to combat a recent wave of racist violence.

Conservatives worried about a loss of Germany's identity in a borderless Europe oppose this.

Conservatives worried about a loss of Germany's identity in a borderless Europe oppose this.

French Ban on Neo-Nazis

France on Wednesday banned a small neo-Nazi group, the Association of Fidelity to the Alsatian Homeland, on the grounds it was racist and anti-Semitic, Reuters reported from Paris.

A government spokesman, Nicolas Sarkozy, said after a cabinet meeting that the group had about 40 members. He said Germany had banned similar groups that were in contact with the French association.

The eastern Alsace region of France was ceded to Germany in 1871, restored to France in 1919 and then held again by Germany during World War II.

KAISER: A Remount in Koblenz

Continued from Page 1

trusting the statue with the flag it replaces. "It's nothing deadly serious, but it is an annoyance."

The city disagrees. Not only does it expect the statue to be a tourist attraction, but "many older locals remember how the German Corner looked and are happy that the Kaiser is coming back," Koblenz said in a news release. The German Corner is the historical name for the site, where German crusaders settled as early as the 13th century and Wilhelm lived 650 years later. In lore, the merger of the two rivers also symbolizes the union of the German tribes in a modern state.

The statue, a copper copy of the original, was commissioned and paid for with private funds, largely a donation by Werner Theisen, a local publisher. Donations from citizens paid for the statue's base.

From the day the statue's return was proposed, it was controversial. A commission of historians recommended against it, and the state, which owned the land, as well as major political parties, long rejected it.

But in 1991 conservative Christian Democrats gave the project their blessing in hope of keeping control of Koblenz in state elections. In the end, they got the Kaiser but lost the election. The state washed its hands of the matter by giving the land to Koblenz.

Although Wilhelm, a king of Prussia, and Otto von Bismarck, his chancellor, are considered the architects of modern Germany, the emperor is also remembered as a ruthless reactionary.

Ironically, many residents of Rheinland-Pfalz state remember Wilhelm as a foreign invader. He arrived in Koblenz as military governor of the province, which answered to Prussia.

RUSSIA: Rutskoi Is Suspended

Continued from Page 1

since Mr. Yeltsin does not have authority under the constitution to remove the vice president.

Mr. Rutskoi, who was elected with Mr. Yeltsin in 1991, said he would ignore it.

"The decree has absolutely no force, because it was issued in violation of the law," he said.

The speaker of the parliament, Ruslan Khasbulatov, who has become one of Mr. Yeltsin's strongest opponents, called Mr. Rutskoi's suspension a "clear and crude violation of the constitution."

The Interfax news agency quoted a Constitutional Court judge as saying he thought Mr. Yeltsin had overstepped his authority. "The vice president is not a hired hand but an official having constitutional powers," said the judge, who spoke anonymously.

Mr. Kravtsov said he did not believe Mr. Yeltsin's decree would cause constitutional problems because it did not remove Mr. Rutskoi from office, just suspended him until the allegations against him can be evaluated.

A presidential corruption commission accused Mr. Rutskoi two weeks ago of helping to secretly shift millions of dollars of government money to a Swiss bank account. Mr. Rutskoi has denied the allegations and said they were motivated by his aggressive uncovering of corruption around Mr. Yeltsin.

Mr. Rutskoi accused Mr. Shumeiko several weeks ago of illegally profiting from a deal to import baby food from Switzerland.

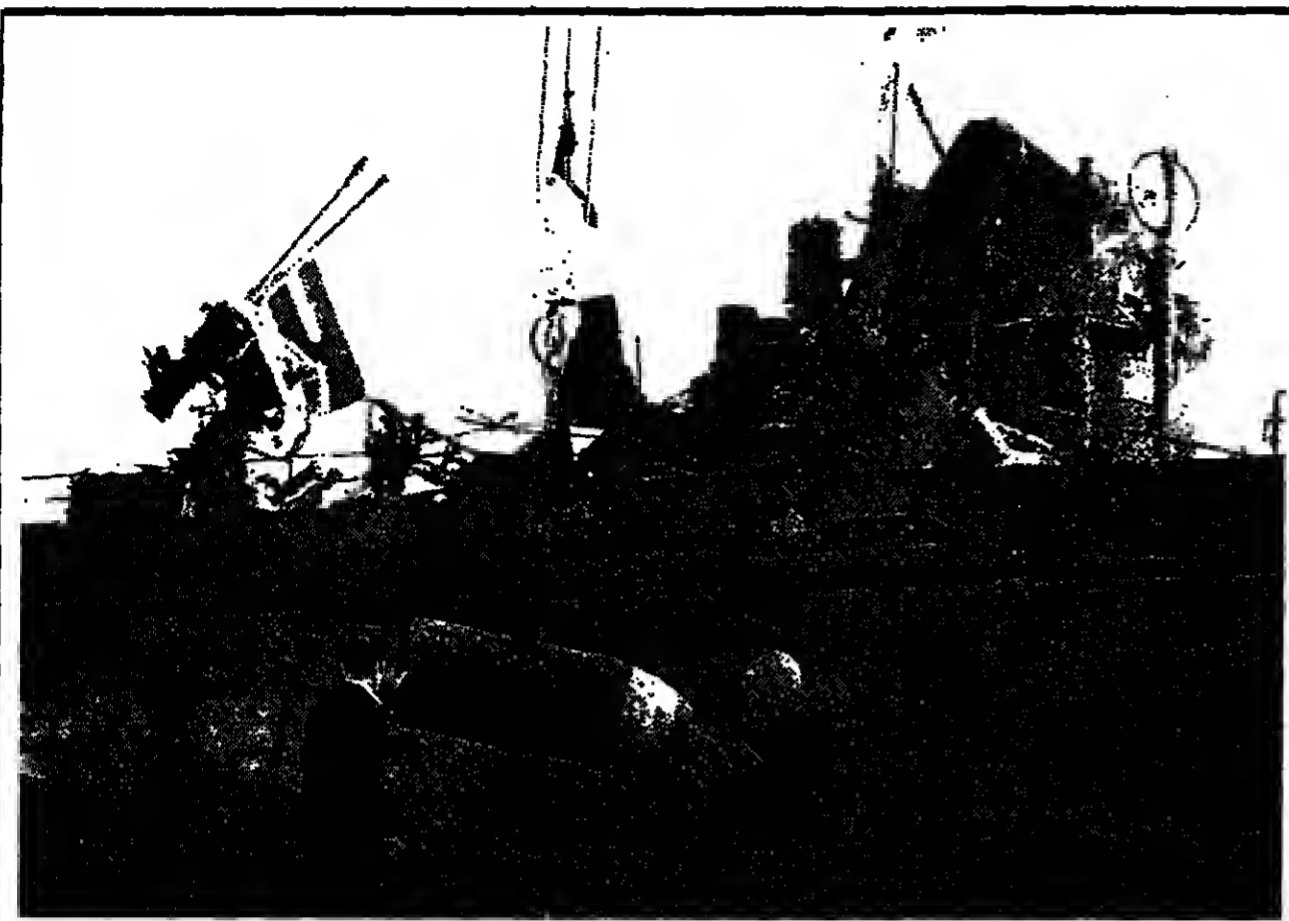
Mr. Shumeiko has denied the allegations and said Wednesday he was pressing ahead with plans to sue Mr. Rutskoi and others who have made accusations against him.

Mr. Shumeiko, who has been one of the most aggressive point men for Mr. Yeltsin and his radical reforms, said he had asked Mr. Yeltsin to relieve him of his duties temporarily so that he could properly defend himself. He said he hoped to be back at his post soon.

Police Official Ousted In Wake of Rio Killings

The Associated Press

RIO DE JANEIRO — The governor of Rio de Janeiro state on Tuesday dismissed the head of a military police battalion that officials have blamed for the massacre of 21 slum-dwelling residents. Governor Leonel Brizola of Rio de Janeiro state removed Lieutenant Colonel Cesar Pinto, head of the 9th military police battalion, the governor's office said in a statement.



One of the U-boat's four torpedoes being unloaded in Hirstal, Denmark. Bad weather delayed the vessel's reaching port.

Next for U-Boat: Does Safe Hold Nazi Secrets?

COPENHAGEN — A German World War II U-boat raised after 48 years on the seabed off Denmark has reached port after a stormy passage and will now be examined for possible Nazi secrets, salvagers said Wednesday.

The U-534, sunk by a British bomber aircraft on May 5, 1945, was towed aboard a barge into Hirstal on the North Sea side of the Jutland peninsula Tuesday.

High seas and fierce winds interrupted the 110-nautical mile journey. The submarine was raised a week ago by Dutch salvagers off the Danish island of Anholt.

Carsten Ree, a Danish publisher sponsoring the project, said four torpedo warheads were unloaded and removed by Danish Navy explosive experts on arrival.

The raising of the submarine set off rumors that it would yield Nazi treasure. But survivors from its crew doubt it. Salvage workers

have found a safe, yet to be opened, which will be examined for secret Nazi documents.

They also retrieved 100 bottles of German wine, condoms, men's long underwear and leftover food. A pipe and binoculars were found in the conning tower.

The submarine, with its gray paint still visible, was found by Danish divers in 1986 at a depth of 60 meters in the Kattegat waterway at the mouth of the Baltic.

Japan War Game to Be Largest Since '45

TOKYO — Japan's army, navy and air force will stage their largest postwar military exercise this month, a Defense Ministry spokesman said Wednesday.

The two-week maneuver, set to begin on Sept. 29, is to involve 90,000 military personnel, including one infantry division, 120 warships and support vessels, and 760 aircraft.

The war game is called "Exercise Integration" and will be held on and around the northernmost island of Hokkaido, which faces the eastern reaches of Russia and abuts four small islands in the Kuril chain that Russia occupies and Japan claims.

In the past, Japanese military doctrine was premised on a Soviet attack that would strike through Hokkaido, and Japanese maneuvers have reflected that. But never have the forces involved in Japanese exercises been so large. Their size seemed especially unusual in light of the collapse of the Soviet Union and the weak-

ening military readiness of the new government in Moscow.

The principal remaining issue of contention between Russia and Japan is the status of the four islands, which Japan calls the Northern Territories. But there is no crisis surrounding them.

"It just so happened that the three separate single-service exercises were combined into one this year," the spokesman said. "There are no other special reasons."

The U.S. Air Force and Navy will take part in the later stages of the exercise, with an aircraft carrier strike force of 10 ships and 60 land-based and carrier-borne airplanes, he added.

Japan's military has an ambiguous status in the postwar era. The legacy of the Imperial Army's wartime role and its defeat has made its successor force unfindable, its very existence contested by a leftist, pacifist minority.

The military budget is currently under the triple pressure of a prolonged recession, the end

of the Cold War and the arrival of a new coalition government that includes the pacifist Socialists.

In its budget request for the fiscal year beginning April 1994, the Defense Ministry has resigned itself to the lowest spending growth rate in 36 years. It is seeking 4.7 trillion yen (\$45 billion), an increase of just 1.95 percent over the current fiscal year.

Despite the low growth set for next year, Japan's military spending remains among the highest in the world.

If military pensions, which come under the welfare budget in Japan, are included in total military spending, as is the case within the North Atlantic Treaty Organization, Japan would rank second in the world behind the United States.

The Ground Self Defense Force comprises about 150,000 soldiers, the navy about 43,000 sailors and 70 warships, and the air force about 45,000 personnel and 400 fighters, as well as other aircraft.

North Korea, Citing U.S., Seeks Talks With South

Compiled by Our Staff From Dispatches

SEOUL — North Korea on Wednesday proposed urgent talks with South Korea to make the divided peninsula a nuclear-free zone.

An Byung Su, North Korea's spokesman for inter-Korean affairs, said, "It makes us feel a gnawing ache in our hearts that time is wasted in antagonism and confrontation, without a dialogue, although the nuclear and other pending issues are awaiting immediate solution."

Mr. An, in a statement carried by the North's official press agency, KNCN, called for an exchange of special envoys to solve the nuclear issue.

He said North Korea wanted to break the deadlock in relations with the South, in keeping with progress made in talks with the United States.

The move came a day after officials from the International Atomic Energy Agency arrived in the North Korean capital, Pyongyang, to discuss nuclear inspections.

South Korean officials said they would study the North's statement before responding.

"If we can solve the nuclear issue, then we are willing to have dialogue in any form," said South Korea's vice unification minister, Song Young Dae.

Negotiations between North and

South Korea broke down in January over a dispute about nuclear inspections. Each side accused the other of setting unacceptable conditions for a resumption of talks.

"The North is not really interested in having dialogue with us," a Seoul-based specialist on North Korean affairs said. "But they know they have to because they really want to keep talks going with the United States."

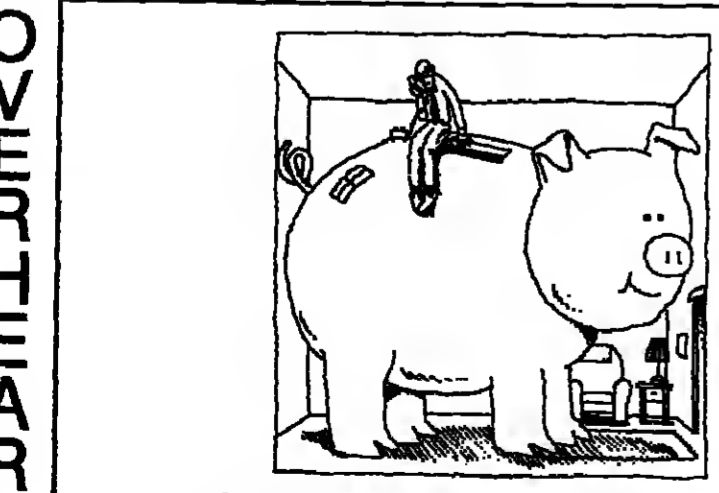
Alarmed by Pyongyang's decision to leave the Nuclear Nonproliferation Treaty, Washington agreed to talk with North Korea.

In two rounds held so far, Pyongyang agreed to suspend its decision. Washington tentatively

agreed to provide aid to help the North convert its nuclear reactors to assure that they are exclusively for civilian use.

Further talks and aid depend on North Korea re-establishing a dialogue with the South, which insists the question of mutual inter-Korean inspections of nuclear sites be settled above all else.

Winston Lord, U.S. assistant secretary of state for East Asian and Pacific Affairs, was quoted by a South Korean news agency on Monday as saying that unless the North resumed talks with the South, "then we can't reconvene the talks with North Korea." (Reuters, AP, AFP)



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STATESIDE / UPHILL BATTLE

★ POLITICAL VOICES ★

Iran-Contra Affair? What Iran-Contra Affair?

WASHINGTON — As he runs for the U.S. Senate in Virginia and faces questions about his role in the Iran-contra dispute, Oliver L. North plans to follow some advice first offered by Disraeli: Never complain and never explain.

Mr. North said he does not plan to talk about his involvement in the Reagan administration's arms-for-hostages trade when he campaigns for the Republican nomination next year. He acknowledges that he made some well-intentioned mistakes six years ago as a White House aide, but he won't say much about what they were. And it hardly matters, Mr. North said, because the public no longer cares about the issue.

"I think most people accept the fact that this issue is behind us," Mr. North said. "It's certainly behind me."

"I have acknowledged the mistakes that I made," he said. "I don't know how anybody could just sit there, idle, doing nothing, with Americans being held in terrible conditions. I think the purposes, the goals, the objectives were noble."

The man Mr. North would try to unseat is Senator Charles S. Robb, who will be opposed for the Democratic nomination by Governor L. Douglas Wilder. While Mr. North had sharp words for Mr. Wilder's policies, he called the governor "smarter, meaner and more formidable politically" than Mr. Robb.

Though Mr. North said he would not try to make troubles in Mr. Robb's private life an issue in their contest, he added, "There are people who have very strong feelings about his private life and will probably choose to make that the issue."

Mr. North also made it clear that whenever Virginia Democrats nominate, his real opponent will be President Bill Clinton. (AP)

Panel Hears Testimony on Bribe Allegations

MIAMI — A central figure in allegations that Commerce Secretary Ronald H. Brown took \$700,000 from the Vietnamese government appeared before a federal grand jury investigating the Commerce Department.

Federal prosecutors refused to discuss the reason for the testimony by Nguyen Van Hao or reveal the target of the investigation. "It is improper in comment on even the existence of grand jury investigations," said a spokesman for the U.S. Attorney's office. But sources close to the case confirmed that the panel was examining the Commerce Department.

Mr. Brown has strenuously denied taking money from Vietnam to lift trade sanctions. (AP)

Quote / Unquote

Fred Wertheimer, president of Common Cause, a lobbying group: "The freshman members of the House ran in 1992 on a platform of change and a substantial majority of these new representatives made campaign commitments to clean up the campaign finance system. To date, freshman House members have done a far better job in raising special-interest PAC money than they have in reforming the campaign finance system." (AP)

Away From Politics

• The military's ban on homosexual men and women is unconstitutional, a federal judge in Sacramento, California, has ruled, and he has ordered the reinstatement of a sailor discharged for homosexuality in 1982. U.S. District Judge Milton Schwartz said the military's anti-gay policies were grounded in prejudice. It is the second such ruling this year.

• The son of the reputed mob boss John Stanfa took a bullet apparently meant for his father in Philadelphia. Authorities described the wounding of Joseph Stanfa on Tuesday as at least the eighth attack in a war for control of the Philadelphia mob formerly led by Nicodemus Scarfo, who was imprisoned in 1989 for racketeering. Mr. Stanfa, 23, of Medford, New Jersey, was in serious condition.

• A day after 14 alleged members of the Fuk Ching alien smuggling gang were arrested in New York, 13 other alleged gang members were indicted in Boston on charges they smuggled 137 illegal Chinese into the United States in September.

• Students who took government-insured loans from banks and other lending institutions for medical, dental and other health-training programs since 1979 have defaulted on \$228 million in repayments, according to the Department of Health and Human Services.

• A U.S. Supreme Court justice stayed an \$850,000 award to the estate of a 96-year-old Arkansas woman wrongly pictured in a supermarket tabloid as a pregnant Australian newspaper carrier. Justice Harry Blackmun ordered the judgment be held in abeyance until the full Supreme Court decides whether to consider an appeal by Globe International, publisher of the Sun newspaper of Boca Raton, Florida. The court is in recess until Oct. 4.

• Union leaders at Philadelphia's two major newspapers voted unanimously to extend their contracts indefinitely and avoid a strike. Philadelphia Newspapers Inc., the publisher of The Philadelphia Inquirer and The Philadelphia Daily News, immediately accepted the offer, which also called for day-to-day contract negotiations to continue. (AP, Reuters, WP)

Wanted: 5 Trade-Pact Pitchmen, Ex-Presidents Only

Compiled by Our Staff From Dispatches

WASHINGTON — Stung by complaints that it has moved too slowly in assembling a sales campaign on behalf of the North American Free Trade Agreement, the Clinton administration has invited the five surviving former presidents to come to Washington for a bipartisan pitch on Sept. 14.

Presidents George Bush, Ronald Reagan, Gerald Ford, Jimmy Carter and Richard Nixon have all been asked to take part, and Mr. Carter and Mr. Ford have expressed interest in attending, aides said. Mr. Nixon, who has established what one aide described as warm relations with the

Clinton White House, is said to at least be giving the idea some thought.

But the idea of lobbying on behalf of a free trade agreement that is obscure to many Americans has apparently not proved a lure to Mr. Reagan. An aide said he had no plans to travel to Washington for the event.

"It is unlikely given his busy schedule that he would come to Washington for a photo op," said an aide to Mr. Reagan, who lives in California. It is unclear whether Mr. Bush will attend.

Clinton administration officials hope they can get at least a few of the former presidents in Washington to speak up for

the trade agreement, which each has said at different times that he supports.

"This is in the realm of possibility," a White House official said.

Another administration official said: "I think they want to be supportive of this. And we certainly appreciate their support and counsel."

Mr. Clinton is facing an uphill battle in gaining approval for the trade agreement, which has enemies in organized labor and in Congress. In addition, Ross Perot, independent candidate for president in 1992, has published a book titled "Save Your Job, Save Our Country. Why NAFTA Must Be Stopped — Now!"

Lane Kirkland, the president of the

AFL-CIO, ruled out on Tuesday any compromise with the White House over the trade agreement and warned that labor would "go for broke" to defeat the treaty in Congress. The AFL-CIO is the largest U.S. labor organization.

Mr. Kirkland said it was too late to try to reach any agreement with the White House.

Mr. Kirkland called the trade pact "a poison pill left over from the previous administration." He said that it was "deeply detrimental to the best interests of this country and the workers of America," and accused the White House of "not taking our views very seriously" on the trade is-

Democratic leaders in the House of Representatives predict overwhelming opposition to the treaty. The majority whip, David E. Bonior, Democrat of Michigan, said last weekend that as many as three-fourths of the House members might vote against the treaty.

The treaty, negotiated under the Bush administration, would remove most trade barriers among the United States, Canada and Mexico, creating the world's largest free-trade market.

In the past, the five former presidents have gathered for ceremonies but not on behalf of legislation. In 1991, they all attended the dedication of the Ronald Reagan Presidential Library. (NYT, WP)

Clinton Pondering A List of Generals To Fill NATO Post

By Eric Schmitt

New York Times Service

WASHINGTON — With NATO facing an array of new missions, the Clinton administration is preparing to select a successor to General John M. Shalikshvili as the alliance's next military commander.

Each of the four military services has nominated a four-star candidate to succeed the departing NATO military boss, who, on Oct. 1, will replace General Colin L. Powell as the chairman of the Joint Chiefs of Staff.

For each of the services, the civilian secretary and the senior uniformed officer approved the following candidates, Defense Department officials said.

The army's choice is General George A. Joulwan, 53, the commander of the U.S. Southern Command, which is based in Panama and is responsible for American military activities in Latin America, except for Mexico and the Caribbean.

A West Point graduate who served as a company commander in Vietnam, General Joulwan has served four tours in Europe, including jobs as the deputy chief of staff for army operations and commander of the 5th Corps in Germany.

The air force's candidate is General Henry (Butch) Viscellio Jr., 53, the head of the air force's Air Education and Training Command near San Antonio, Texas. The command is responsible for recruiting and training air force personnel, as well as 130 jet pilots a year from other NATO countries at Sheppard Air Force Base, in Texas.

General Viscellio, an Air Force Academy graduate who flew A-1s in Southeast Asia, served most recently as director of the military's Joint Staff in Washington, where he dealt with European affairs. His other most recent assignments, however, have been in logistics jobs in the United States, which could hurt his chances.

Only one air force general has been supreme allied commander in Europe: Lauris Norstad, from 1956 to 1962.

The navy's nominee, Admiral Charles R. Larson, the head of the U.S. Pacific Command in Hawaii,

had been a top contender to succeed General Powell. As head of the Pacific Command, Admiral Larson, 56, is responsible for a region that includes 45 countries from the West Coast of the United States to the east coast of Africa.

The Marine Corps selection, General Joseph P. Hoar, was one of two finalists that Mr. Clinton interviewed to succeed General Powell. General Hoar, 58, who replaced General H. Norman Schwarzkopf as the head of the U.S. Central Command, is responsible for American military operations in Somalia and Iraq.

Of course, Defense Secretary Les Aspin could reject all these candidates and select someone else.

Mainly because the army has fielded the bulk of American forces in Europe, the job has gone to an army general all but once since Dwight D. Eisenhower was appointed the first supreme allied commander, Europe, in 1950. But some Pentagon officials say that the uncertain security situation in Europe, now dominated by the fighting in the Balkans, enhances the possibility that an air force general could be chosen.

Chances are slim that a navy or Marine Corps officer will be selected, these officials added. Americans have always held the top military position in the North Atlantic Treaty Organization.

In NATO's civilian-military partnership, the end of the Cold War, and with it the threat of an imminent Soviet attack, has somewhat diminished the military's sway in the alliance's overall decision-making process, say policy-makers in the United States and in Europe. But the Secour, as the supreme allied commander, Europe, is called, is still one of the most important commands an American officer can hold.

"The next Secour must have a sophisticated understanding of civilian-military relations," said Andrew J. Goodmaster, a retired army general who was the NATO military commander from 1969 to 1974.

General Shalikshvili traveled widely in Western and Eastern Europe during his year as supreme allied commander, winning the trust and confidence of both political and military leaders, NATO associates said.



BAD LANDING IN KITTY HAWK — A house at Kitty Hawk, North Carolina, ended up in the Atlantic Ocean after the hurricane designated Emily knocked it off its foundations. The hurricane tore off roofs and uprooted trees on North Carolina's Outer Banks.

Private Eye Rebuts Jackson's Allegation

By Jim Newton and Amy Wallace

Los Angeles Times Service

LOS ANGELES — A private investigator has emerged to contest accusations that the father of a 13-year-old boy allegedly molested by Michael Jackson tried to extort \$20 million from the entertainer.

But the investigator, Ernie Rizzo, had barely finished talking to the press before the father's lawyer, Richard Hirsch, said Mr. Rizzo was not authorized to speak for the family and "at this point" was not working for anyone connected with the case.

[Mr. Jackson performed in Singapore on Wednesday, but in Taiwan, his promoter said the singer had canceled a concert set for Friday in Taipei. The Associated Press reported. He said Mr. Jackson would perform on Saturday and that another concert would be added on Monday.]

While the drama was unfolding, it was disclosed that a Los Angeles lawyer who has built

a career on high-profile cases, Gloria Allred, had been hired to represent the boy. She declined to comment on any aspect of the case.

On Tuesday morning, Mr. Rizzo began giving interviews in which he alleged that Mr. Jackson had offered \$350,000 to buy the silence of the boy's parents. Mr. Rizzo accused a rival private investigator, Anthony Pellicano, who works for Mr. Jackson, of doctoring audio tapes in order to falsely implicate the boy's father in an extortion attempt.

Mr. Pellicano has alleged that the father, through a lawyer, tried to obtain \$20 million to buy the boy's silence. He has said that he countered with an offer of \$350,000 as a trap but that the offer was refused.

Mr. Rizzo, as evidence of his credentials, produced a letter signed by the boy's father in which the father states: "I hereby retain you to investigate Anthony Pellicano and anyone else involved in the sexual molestation case that we spoke about this morning."

Armed with that letter, Mr. Rizzo accused

Mr. Pellicano of trying to bribe the boy's family members into keeping the sexual molestation allegations under wraps. He said the boy's mother and father, who are divorced and have battled over custody, were now united in their belief that their son had been molested by Mr. Jackson.

Mr. Rizzo said the boy first confided in his father in July. The mother, according to Mr. Rizzo, initially discounted the allegations because she and her son had been close companions of Mr. Jackson's and she trusted him.

But she later changed her mind, he said, after her son tearfully recounted the alleged abuse. The next day, the mother, father and the boy's stepparents confronted representatives of the entertainer, and it was then that Mr. Pellicano allegedly offered them the bribe, Mr. Rizzo said.

Mr. Jackson's lawyer, Howard Weitzman, denied Mr. Rizzo's account, insisting that the singer is innocent and that the father had fabricated the molestation allegations as part of an attempt to extort money.

Stop Sending Cards, Please! Craig's Fine

By Charisse Jones

New York Times Service

NEW YORK — There once was a boy named Craig, who in the midst of his fight against cancer asked strangers in grant a simple request: Send get-well cards, lots of them, enough to lift a sick child's spirits and break a world record.

Craig Shergold got his wish. Ordinary people and heads of state alike responded to the 7-year-old British boy's plea, sending more than 16 million greeting cards in a year's time and breaking the standing record within months. Now, four years later, Craig Shergold, has his record and his health. Doctors removed most of a cancerous brain tumor in 1991 and said the disease has not returned.

But Craig's request lives on through a flurry of chain letters making the rounds of offices in Manhattan and other cities around the country. And as thousands of cards continue to pour in, those who first publicized the boy's appeal have replaced the words "thank you" with two others.

"Enough already."

"We've got a 10,000-square-foot warehouse that is stacked to the ceiling with mail that still hasn't been opened," said Arthur Stein, president of the Atlanta-based Children's Wish Foundation International, which began the initial card campaign in 1989.

"There's no way to stop it. Everyone keeps saying quit, and people ignore the pleas."

In a latter-day version of the children's game called telephone, Craig's plight continues to be resurrected in letters delivered via mail carrier and fax machine, with facts so

different from the original story, the tale is at times almost unrecognizable.

The letters now ask for business cards instead of get-well cards. Depending on which letter you get, Craig's last name may be Shergold, or Shergold, or Shergold. And the letters either switch the names of two foundations that grant wishes to seriously ill children, or name a foundation that does not exist at all.

To complicate matters further, many of the cards are mailed to an Atlanta address that does not exist and are eventually rerouted in the Children's Wish Foundation headquarters.

Some of the envelopes simply say "Wish Foundation," with no address or ZIP code. And Mr. Stein said his staff has put on display one envelope that cryptically read "To The Boy Who Is Sick In The Hospital, In Arizona, Or Colorado . . ."

One thing remains the same: While the drive has been going on for years, the boy in the appeal has not aged — he is still 7 and still terminally ill.

The Children's Wish Foundation uses a donated warehouse and staff of 40 volunteers to handle the nearly 300,000 cards sent in every week, Mr. Stein said.

The Phoenix-based Make-a-Wish Foundation of America, which never dealt with the Shergold boy or his request, has established a telephone line to tell the public the current card appeal is not legitimate, nor are they involved.

And there has been a concerted effort to spread the word that cards — business or otherwise — are no longer wanted.

Newspaper writers from Dallas to Manhattan have written articles and columns stating that the boy broke the record long ago.

His mother has appealed through the BBC and other media outlets that no more cards be sent. Even Ann Landers, in a column printed last year, begged the public to stop.

In fact, the Guinness Book of Records has retired the category for the most get-well cards, leaving Craig's 1992 record of 33 million cards unchallenged.

But so much of publicity has been strong enough to stem the torrent of faxes and phone calls. "I would suspect we have surpassed 100 million" cards, Mr. Stein said, adding that the foundation stopped counting once the number topped 60 million.

At the request of the Shergold family, he said, the cards are being recycled.

In 1989, Craig, the son of a waitress and truck driver living in Coshallon, England, was suffering from a brain tumor and not expected to survive.

The British news media began to publicize the boy's desire to break the world record for receiving the most get-well cards, and eventually, Mr. Stein said, the Children's Wish organization was enlisted in the effort.

Because of the card campaign, John W. Kluge, the billionaire who is the chairman of Metromedia Company, learned of Craig's illness and paid for him to see a neurosurgeon at the University of Virginia Health Sciences Center. In March 1991, more than 90 percent of Craig's brain tumor was removed, and he is believed to be cured, said a hospital spokesman, Tom Doran.

Media in a Frenzy Over Singer

Journalistic Principles Are Ignored by Some

By Howard Kurtz

Washington Post Service

WASHINGTON — "Peter Pan or Pervert?" asks the New York Post. "Is He Dangerous or Just Off the Wall?" asks Newsweek's cover. "Michael Jackson: The End of Innocence?" asks Time.

In the nearly two weeks since KNBC-TV in Los Angeles broke the news that the police were investigating allegations of child molestation against Mr. Jackson, the media clamor over the case has grown almost deafening. And some of the normal rules of journalism have been bent or broken in the process.

"This is not an ordinary person you're talking about," said Leo Wolinsky, city editor of the Los Angeles Times, which has repeatedly played the Jackson saga on the front page. "This is a superstar entertainer who has a multimillion-dollar machinery around him, a guy with millions of fans worldwide. There is a thirst for knowledge on this subject."

But aren't some news organizations trashing Mr. Jackson's reputation over allegations that may prove false?

"That's the problem with these kinds of stories," Mr. Wolinsky said.

The frenzy has not been dampened by disclosures of a nasty custody battle over the 13-year-old boy who says that Mr. Jackson had sex with him or charges by the singer's lawyer that the boy's father tried to extort \$20 million. A taped call in which the father discussed such threats was aired by the "CBS Evening News" on Monday.

Although most news organizations do not identify minors in sexual abuse cases, the New York Daily News last week named the 13-year-old boy, who it said had traveled to Mr. Jackson's ranch in California with his mother.

"We didn't name the kid who made the charges," said the newspaper's editor, Lou Colasanto. "We named a kid in a custody

battle which may intersect this sex abuse case. It's a fine line."

The Sun, a London tabloid, published pictures of Mr. Jackson and the boy, while Time and Newsweek ran photos of the boy and his mother, electronically disguising the boy's face.

Still, the teenager can obviously be identified through his parents. The Daily News has named the boy's father, whom most news organizations have described as a "Beverly Hills dentist," and some Los Angeles TV reporters have done broadcasts outside his home.

The Washington Post, which has run 10 articles on the controversy, reported that the doctor is a credited co-author of the Mel Brooks film "Robbie Hood: Meo in Tight."

Howard Rosenberg, the Los Angeles Times television critic, says the Jackson story has obliterated the line between tabloids and more respectable news organizations.

He noted that Paula Zahn of

"CBS This Morning" had interviewed a "Hard Copy" TV reporter about Mr. Jackson and asked a CBS reporter about totally unfounded reports "of a suicide attempt."

The New York Times has published only a wire report, a news brief and a 10-paragraph staff story on Mr. Jackson's trials, despite the cancellation of part of his worldwide tour and the obvious impact on his role as a corporate spokesman.

"We have no charges," said the paper's executive editor, Max Frankel. "We have an anonymous claim of wrongdoing." He added: "We feel a moral obligation in protect the complainee. We don't have to rehash every tidbit in this thing until something happens."

Asked if he could ignore a story that is all over television and magazine covers, Mr. Frankel said: "So? What should we write?" Barring new developments, he said, "We're going in stay away from it."

UN Takes Cautious Steps on Aid Team for Haiti

By Paul Lewis

New York Times Service

UNITED NATIONS, New York — Worried by the financial difficulties gripping UN peacekeeping operations around the world, the Security Council has voted to send a small advance team to Haiti to assess the cost involved in mounting a large new operation there designed to prepare the country for a return to democracy.

At the insistence of the United States, which has held the rotating presidency during August, the Se-

curity Council adopted a deliberately cautious approach to the Haiti mission.

While the Security Council still intends to send a mission to retrain the army and the police force in Haiti and start repairing its roads and bridges, Madeleine K. Albright, the U.S. representative, said she had sought "changes in the way the council prepares such missions."

In particular, Ms. Albright said the United States wants the council to obtain advance estimates of the

cost of all new peacekeeping operations and to define their objectives with greater precision. She also called for an automatic termination date for all future observer missions.

The Security Council vote on Tuesday to start planning for a new peacekeeping operation follows a decision last week to lift the oil embargo on Haiti after the country's parliament accepted President Jean-Bertrand Aristide's choice for prime minister.

The 30-man advance team will

examine the cost and feasibility of sending up to 1,000 UN police monitors, soldiers, and civilian workers to rebuild Haiti's security services and judicial system and start repairing its infrastructure.

The secretary-general has estimated the total cost of the operation at about \$37 million for the first six months. While most of those sent to Haiti will be from French-speaking countries, the United States has offered to send some 350 troops and military engineers.

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Zones of Peace, Zones of Turmoil: A New Order of Hope

By Max Singer

Behind the Errors at Waco

It is too late for President Bill Clinton and Attorney General Janet Reno to undo their seven months of delay in removing William Sessions as director of a demoralized FBI...

There have also been persistent and plausible reports that Mr. Higgins has not acted forcefully to end racial discrimination and sexual harassment in the agency...

Volunteerism Has Limits

President Bill Clinton was enthusiastic Tuesday when he spoke at the University of Maryland to a group of young people who had just finished a summer of work on public service projects...

grams provide. Social Security, Medicare, Medicaid and unemployment compensation came into being precisely because voluntary efforts to deal with the problems of the needy were not up to the scale of the problem...

Americans Entangling America

By George F. Will

WASHINGTON — In a pre-dawn raid in Somalia on Monday, U.S. Rangers dropped down ropes from helicopters hovering over what the Rangers suspected was a fugitive warlord or his operatives...

constitutional processes and deliberative institutions by which American values are supposed to be exercised and protected. This administration is packed with people who remember Vietnam primarily as a reason for self-flattery...



By KAL in The Economist (London), CAP Syndicate

so entangled, there will be little said about anything as vulgar as America's national interests. For some Americans the special virtue of the Somalia intervention is the utter absence of any connection with a vital U.S. interest...

Seven Deadly Minutes

If cutting back has failed, if going cold turkey has failed, if the patch has failed, take heart. There is a new, very simple way to give up smoking. Before you light up, count to seven...

has not declined since 1980 — and it is in their teens that people become addicted to tobacco. Ninety percent of all smokers start before they are 18; the average age for a new smoker is 13; and each day 3,000 children light up for the first time...

Mideast Peace: A Last-Gasp Gamble by Two Weakened Players

By William Pfaff

PARIS — It is dangerous to attempt to make peace from weakness, because of weakness. That is the risk in the Israel-PLO peace program made known this week...

splitting because of the hostility of the delegates from the occupied territories. The PLO itself is cracking because of conflict between the compromisers and the unconditionalists...

return to the sterile Middle Eastern terrorism of the past. There is an aspect to all of this which few seem aware. This struggle is not one that originally had anything to do with the Middle East...

Other Comment

A Breakthrough or a Sellout?

Secretary of State Warren Christopher has rightly hailed the historic Israeli-PLO agreement on self-rule as a "conceptual breakthrough" and offered strong U.S. support...

clated for what they are. A historic change has taken place, and there is reason to hope the world will be better because of it.

The Rabin government is defeatist, dishonest, a failure and an unmitigated disaster. But it is the legitimate, duly elected government. If the opposition wishes to change the national course, it must heed to democratic imperatives before anything else...

The news that Israel is on the verge of recognizing the PLO and granting some measure of autonomy to Palestinians in Gaza and Jericho is, to say the least, disappointing. When prominent Israelis are themselves questioning out loud the wisdom of treating with the PLO...

America Should Now Referee the Syria-Israel Bout

By Gideon Rafael

JERUSALEM — Entering the 11th round of the Arab-Israeli prize fight, the mood and outlook have changed. Up to now, the fight has been mostly shadow-boxing...

More specific on this issue is the treaty Lebanon and Israel signed on May 17, 1983, following the Israeli invasion of Lebanon. It was which was abrogated by the Lebanese government a few months later under the pressure of Syria...

relations with the United States, then he should realize that the key to attaining those objectives is the nature of Syria's relationship with Israel.

The writer is a former director general of the Israeli Foreign Ministry and former ambassador to the United Nations. He contributed this comment to the International Herald Tribune.

International Herald Tribune advertisement listing contact information for various offices and subscription rates.

the woods with his Soviet colleague on arms control. Henry Kissinger's high-and-dry in Paris with his Vietnamese counterparts, and Moshe Dayan's secret meetings in Morocco with Anwar Sadat's special envoy blazed the trail for the dramatic outcome of formal negotiations...

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

- 1893: Killer Tidal Wave
1943: Italy Is Shelled
1918: Lenin Is Wounded

The surgeons who attended him found two wounds, one in the upper portion of the lung, the other in the collar-bone. The victim has maintained consciousness, and his condition gives no rise for alarm.

Handwritten Arabic text at the bottom of the page.

OPINION

Gore Offers a Prescription To Cure 'Clinton Fatigue'

By E. J. Dionne Jr.

WASHINGTON — President Bill Clinton's vacation was good for him because he got some deserved time off, and because he gave the country a rest from himself. The president could extend that vacation a bit with proper handling of the "reinventing government" initiative that he is announcing next week.

By helping 'reinvent government,' Clinton can show that Democrats are as enthusiastic about effectiveness as they are about activism.

I have found it easy to say that he stands for nothing or for everything. That the critics have it wrong is easily proven. Mr. Clinton's willingness to do hard things — for starters, to raise taxes, to propose health-care reform, to endorse the North American Free Trade Agreement — has made him some bitter enemies. You do not make such enemies by being nothing.

But Mr. Clinton has created a solid base of political enmity without building a firm coalition of political friendship. The difficulty is that his presidency often looks like a balancing act between left and right, which creates mistrust on all sides. What he promised in 1992 was different: a synthesis that took liberal goals seriously but was open-minded as to how they would be achieved. You could, he argued, be in favor of energetic government without pretending that all past efforts at government activism had been brilliant successes.

That is where "reinventing government" and Vice President Al Gore's National Performance Review come in. This is one of those rare initiatives whose political purposes and substantive goals reinforce one another.

Behind the project are some basic assumptions: (1) government is not working all that well; (2) most Americans know it; and (3) those who want to use government to solve social problems — i.e., Democrats — have a powerful interest in reforming it to restore

public confidence in its capacities. Mr. Gore's report tries to attack these problems from several directions. First, it speaks to citizens' personal frustrations with government by suggesting some minimal guarantees to the consumers of government services. Mr. Gore wants the Internal Revenue Service to guarantee that income tax refunds be paid within 40 days — and within just two or three weeks if you file by computer. He wants the Postal Service to pledge to deliver first-class mail overnight. People with Social Security problems should get them solved fast.

Mr. Gore also proposes that government be pragmatic in deciding which services are best performed in-house by public agencies and which should be put out to bid to private companies. This involves some big decisions, such as creating a public authority through which the airlines would run their traffic control system, and smaller ones, such as contracting out government printing if it can be done more cheaply outside.

Finally, Mr. Gore addresses the guts of how government does what it does by focusing on procurement (how government buys things) and personnel (how government hires, promotes and fires people). Over the last several months, Mr. Gore has offered a series of horror stories about the bureaucratic nightmare that lurks behind such matters as how the government buys asphalt. He has pointed out that the government does not make full use of its enormous purchasing power to win low prices. He has also said (in line with the current vogue in private industry) that government is too laden with middle managers and that line workers ought to be given — and asked to take — more responsibility. He has even suggested that it ought to be easier to fire incompetent federal workers for cause.

Reinventing government is no cure-all. Mr. Gore will outline some real cuts in government spending, but there will be no gargantuan, immediate budget savings. To the extent that his project works, savings will occur over time. Moreover, some of the important issues (such as procurement) can get fairly technical and will not engage a large audience.

But the idea behind this project is central to the message Mr. Clinton needs to convey if he wants his presidency to be successful. Mr. Clinton won because most Americans want government to do things again. He failed to secure a majority because most are not convinced that government can do things well. The president needs to show that Democrats are as enthusiastic about effectiveness as they are about activism. If he succeeds, people won't have trouble answering the question: What's Bill Clinton all about? He can be the president who is trying to make government work again.

The Washington Post.



The Middle of the Road.

LETTERS TO THE EDITOR

The President as Salesman

Regarding "Since When Is It the President's Job to Sell Airplanes?" (Opinion, Aug. 26):

Hobart Rowen does a disservice to American export business. He argues that President Bill Clinton should not "descend" to the level of a salesman. Presumably the president should focus on more lofty issues. But U.S. exports help the domestic economy. Indeed, many contend that international business presence is the test of a country's worldwide leadership. President George Bush rightly tried to help American international business exports and presence in Japan in early 1992. President Clinton correctly is following suit. The fact that the United States has a Commerce Department and an Office of the U.S. Trade Representative indicates the importance of these issues.

But when President Clinton is right, Mr. Rowen should lay off.

VICTOR H. FRANK JR. Guangzhou, China.

Editor's Note: The writer is a former U.S. ambassador to the Asian Development Bank in Manila.

Under Two Flags

Regarding "Don't Blindly Follow the UN Lead" (Opinion, Aug. 21) by Robert C. Byrd:

Senator Byrd, in his criticism of the Clinton administration's plans to allow U.S. troops to serve under the UN flag on a regular basis, misleadingly emphasizes that American soldiers would be serving under "foreign commanders" and that this is inherently bad. All UN initiatives, regardless of who leads a particular operation, are put into force by the Security Council, of which the United States is a permanent member with decision- and veto-making power.

whereby democratic institutions are identified and supported in post-conflict areas to prevent a recurrence of war. Ultimately, however, the "cost" of peace is much cheaper than that of war.

SUSANNE OLLMAN, Bonn.

Japan's War Guilt

Regarding "Japan's Asian Neighbors Require a Full Apology" (Opinion, Aug. 23) by Lee Poh Ping:

I am sure that all Japan-watchers are pleased by the attitude of the new prime minister, Morihiro Hosokawa, concerning Japan's war guilt. However, talking is no longer enough. All victims of war crimes must be promptly compensated by the Japanese government. But even this is not enough.

To atone for their obvious lack of sensitivity toward their neighbors, Japanese should erect a monument of remembrance, perhaps near the Yasukuni shrine to Japan's war dead.

JANUS AVIVSON, London.

Regarding "In Japan, Close Combat Over a War Memorial" (Aug. 23) by James Sternoged:

I was deeply disappointed with the remarks of Sakae Suhiro, director of the Japan War-Bereaved Families Association, in which he attempted to justify Japan's past aggression and brutalities in the war and ignored numerous innocent Asian victims killed by the Japanese forces, victims who far outnumbered the Japanese dead. He does not

Still Bailing Water, Iowa Looks Forward to Snow

By Chris Offutt

IOWA CITY — For the last two months Iowans have had a siege mentality. We stockpiled food and water and built barricades of sand. We watched ourselves on television and received phone calls from concerned friends and relatives around the country. Our rivers acted on their own, having acquired ambition and will. They be-

MEANWHILE

haved like humanity, taking as much land as possible. Now it's time to take it back. Cleaning up is harder work than warding off the water. It is solitary labor instead of a group effort and does not make glamorous pictures for the media. I don't know anyone whose basement isn't flooded with either water or sewage. Mold and mildew grow the way the corn used to.

Sandbags are everywhere, stacked in low walls in neat double rows or thrown pell-mell against doors. They were our

chief weapon against the flood and, like most weapons, they pose their own threat. Now that they are waterlogged, they contain poison from industrial waste, sewage and pesticides present in the rivers. We are told to handle them only with gloves and not to use the sand in our gardens.

A lot of us have lost weight. Many are not sleeping well, and flood nightmares are common. Out-of-state specialists have arrived to help us deal with post-flood trauma.

Our biggest problem is that the water has not fully gone down yet and we are already stressed out.

The drop-in rate at local mental-health facilities has sharply risen. Attendance is likewise high at bars, movie theaters and marriage counselors. Depression is, as they say, going around.

And why not — we went from April to August without two days of back-to-back sunshine.

Most of us are pale, some are downright crabby. Others have gotten sick from contact with contaminated waters. Fortunately, free tetanus shots are available.

A friend of mine stood in water to sandbag her property and spent two weeks in the hospital with an illness that led to meningitis.

I was laid up for three weeks with hepatitis A, a hard way to lose weight. The flood produced a small outbreak of the disease that was, luckily, quickly contained.

The mail, however, has become much more interesting. I received a warning the other day that crooked contractors are coming to cheat me out of repair money. A national credit-card company wrote that if I have suffered from the flood, I can pay my bill later.

After weathering one disaster, the prospect of another does not seem so outlandish, and the next worst-case scenario is an early freeze before the waters fully recede.

Until then, we have had our collective 15 minutes in the nation's focus. The president on longer drops by. The media shifted their attention to the imperiled barrier islands off North Carolina.

Though the world may not hear from us in the months to come, we'll still be here, moving mud and pumping water, tearing out ruined sheetrock and carpets — preparing to rebuild.

I am eager for winter. I crave that sideways weather, those blizzards that strike as rapidly as a thunderstorm, the deluges of ice that change the land to a prism.

If we get as much snow as we have rain, I don't think anyone will mind. Snow is easier to move than water.

The writer, author of "The Same River Twice" and "Kentucky Straight," contributed this column to The New York Times.

GENERAL NEWS

5 Nigerian Governors Snub New Regime

The Associated Press LAGOS — A five-day strike against Nigeria's new government spread dramatically on Wednesday, closing banks nationwide, hampering telephone and electricity service and bringing almost all transportation to a halt. In another development that threatened to aggravate the crisis, five of Nigeria's 30 state governors vowed not to recognize the new civilian government of Ernest Shonekan, who was appointed by the president, General Ibrahim Babangida, when the dictator resigned under pressure on Thursday.

Participation in the strike had been sporadic in recent days, but surged on Wednesday as more labor sectors joined the work stoppages. Many Nigerians are lobbying for the installation of the publishing tycoon Moshood K.O. Abiola, the apparent winner of the June 12 presidential election that General Babangida refused to recognize. The hardest hit area was the southwestern portion of the country. Mr. Abiola's ethnic

stronghold, but the effects were felt everywhere. Most banks were closed after unionized clerks refused to show up and fuel shortages crippled air and ground transportation nationwide. The National Electric Power Authority was poised to cut off electricity because of shortages of natural gas needed to fire turbine generators. The natural gas shortages and widespread gasoline and aviation fuel shortages have been caused by walkouts by unionized oil workers. Nigeria gets 80 percent of its revenue from oil sales. Though oil companies say production is continuing, distribution has been virtually shut down by the strike. The Lagos Guardian newspaper said some telephone exchanges had closed down because workers did not show up. Most civil servants stayed home in Lagos, a city of 7 million people. The streets of the normally bustling city were empty. Strikes by air traffic controllers and chronic

EUROPEAN TOPICS

Germans Intellectuals Advocate A World War II Museum in Berlin

Inspired partly by the recent opening of the Holocaust Museum in Washington, a group of prominent Germans is pressing for construction of a similar museum in Berlin. Although there are memorials to victims of the Nazi regime in various parts of Germany, there is no museum there that fully documents the Nazis' murder of millions of civilians, reports Stephen Kinzer of The New York Times. "The time has come to present the unimaginable in documentary form," said an appeal signed by more than two dozen politicians, writers, artists, museum directors and theologians. "It would remind us of our responsibility to the victims of the Holocaust, principally Jews but also Gypsies, the politically persecuted, homosexuals and victims of euthanasia. It would recognize a horrible truth and serve as a warning against rising right-wing radicalism."

The appeal was issued by a human-rights group based in Hannover, the Institute for Cultural Research into Peace and Conflict. Signers included the writers Gunter Grass, Christoph Hein and Christa Wolf, the film director Margarethe von Trotta, a former East German prime minister, Hans Modrow, and a former Social Democratic Party leader, Bjorn Engholm.

Around Europe

Belgium, which holds the European record for failure in school, has decided to turn a page. At present, only one in two Belgian students makes it to graduation in the prescribed period. In elementary school, 19 percent of Belgian students flunk at least once. This compares to 16 percent in Portugal, 12 percent in France, 7 percent in Spain and, at the other end of the spectrum, 2 percent or less in Germany, Greece, Italy, Denmark and Britain.

Bokassa Free as Jails Are Opened

The Associated Press BANGUI, Central African Republic — The outgoing military dictator freed the country's former self-proclaimed emperor, Jean-Bedel Bokassa, on Wednesday and emptied the country's jails.

General Andre Kolingba, eliminated on Aug. 22 in the first round of the nation's first free elections in 12 years, issued a military decree freeing jailed criminals. "We're all stunned," said Abel Koumba, an opposition leader. "It is an act of vengeance against all those who want to install democracy in this country."

Mr. Koumba said Mr. Bokassa, 72, was escorted out of the cell at a military barracks on the grounds of the presidential Renaissance Palace, but was under guard for his own safety. Relatives of convicts rushed to jails in Bangui as thousands of prisoners began streaming out.

Mr. Bokassa was a colonel when he seized power in 1965 and proclaimed himself president for life, then emperor. He was deposed in a coup by French troops in 1979 after France, once a friend, became embarrassed by his excesses. Mr. Bokassa was accused of killing his opponents and of numerous other abuses of human rights. Before he was deposed, he was accused of participating in a prison massacre of 100 schoolchildren

Advertisement for Bokassa. It features a photo of a man and text: 'Bokassa Free as Jails Are Opened'. The text describes the release of Jean-Bedel Bokassa from prison in the Central African Republic.

Advertisement for Sprint Express. It features the headline 'How to make an international call without Sprint Express.' and 'How to make an international call with Sprint Express.' It lists benefits like 24-hour service and international rates.

Advertisement for Sprint World Cup USA94. It includes a list of international calling numbers for various countries, a photo of a woman, and the Sprint logo. The text says 'QUICK GERMAN FOR THE TRAVELER'.

Handwritten Arabic text: 'سكوا من الاصل' (Squaw from the original).

MIDEAST TALKS / MOVEMENT AND PROGRESS

Israelis in Gaza Wonder How Long They Can Stay

By David Hoffman
Washington Post Service

GUSH KATIF, Gaza Strip — Stuart Tucker took the snapshots from the family photo album and spread them on the dining room table. The pictures showed the Israeli prime minister, Yitzhak Rabin, on a visit to the Gaza Strip in July 1975 to inaugurate Nezer Hazani, a Jewish settlement plopped amid the sand dunes.

Today, Mr. Rabin is once again prime minister. But now instead of starting settlements he has taken a giant step toward transforming the Gaza Strip from Israeli-occupied territory into a Palestinian province and perhaps also transforming the lives of the 5,300 Jews who live here amid nearly 1 million Palestinians.

stay under Yasser Arafat," said Anita Tucker, a cheerful mother of five who tends the family's organic tomatoes and worm-free cabbages, which are exported to Europe. "We certainly aren't packing the suitcases. I'm just going to go on with my life and raise my children."

But she added that when the Israeli troops leave, "I have no doubt that a terrible bloodbath will occur among the Arab population."

The agreement that Israel unveiled this week with the Palestine Liberation Organization promises to turn over large swaths of the Gaza Strip and later the West Bank to Palestinian control for the first time in 26 years. It also promises to dramatically change the situation outside the electronic fence that surrounds this community and countless others in Gaza and the West Bank.

And it has raised the prospect, albeit distant, that the Jews in the settlements known as Gush Katif will have to consider whether to remain. Although none of those interviewed Wednesday said they were seriously thinking of evacuation, the memory of Yarmit, the Sinai town that Israel surrendered to Egypt in the Camp David accord, was not far from their minds.

Under the new agreement, Jewish settlements will remain in Israeli hands wherever they are, both in the West Bank and Gaza Strip. They will be protected by the Israeli Army.

In addition, the agreement stipulates that highways and roads will also not fall under Palestinian control. Theoretically, the Jewish settlers of Gaza will be undisturbed, sowing tomatoes, flowers and lettuce in their backyards and the street-

ow of Israeli Army checkpoints.

But the reality in these Gaza communities may actually be far different. The Palestinian experiment in self-rule will begin here long before it is phased in to the West Bank. The surrounding Palestinian populations are far greater, and packed into a smaller area, than in the West Bank. And to the discomfort of many Jewish residents here, they are no longer part of Israel's national consensus.

In public opinion polls, Israelis say they believe that the Golan Heights, on the border with Syria, are a major strategic asset, and they overwhelmingly oppose returning them. Israelis are also deeply divided about giving back any of the West Bank. But when it comes to Gaza, there is a national consensus that Israel should get out.

"I think it's sad that most of the country doesn't care," said Anita Tucker. "Most of the people in Tel Aviv don't care. They think it's all PLO and Arafat here. Also, they think it will make the problems of Gaza go away. Unfortunately, because of the situation in the Gaza Strip, it's not going to go away."

Danya Herskowitz, spokeswoman for the regional council, said an effort would be made to explain to Israelis why the Gush Katif communities are important for the security of the nation, but she acknowledged it would be an uphill fight.

"People say, 'I'm sick and tired of fighting, and I'm going into the army for reserve duty,'" she said. "We are unimpaired. It's a pain in the ass, and they want to get rid of it. But Israel can't afford to get rid of it."

Nordic Aid for Palestinians 5 Nations Make Pledge of \$125 Million

Compiled by Our Staff From Dispatches

PARIS — In a sign that Europe is ready to help underwrite a peace agreement in the Middle East with economic aid, the Nordic countries agreed Wednesday to grant \$125 million to the occupied areas of Gaza and the West Bank.

"The political success currently being drawn up must also be an economic and social success," the Danish foreign minister, Niels Helveg Petersen, said on Danish radio. "The Gaza Strip is very poor and has a very low standard of living."

In Paris, French officials said they were urging their European Community partners to decide how much funding they could provide to the Palestinians once an agreement between the Palestine Liberation Movement and Israel had been set into motion.

Denmark said it would contribute 250 million kroner (\$36 million) in foreign aid to Palestinians in the Gaza Strip and on the West Bank as part of the joint Nordic effort. Aid Minister Helle Degn said in a statement:

"With a historic breakthrough now in sight in the talks between Israel and the Palestinians, it is up to the world community to secure the economic conditions for a stable and democratic development in the area."

The money would be given over two to four years, with 50 million kroner due this year. Norway will give 200 million Norwegian kroner (\$28 million), with the remainder being divided between Sweden, Finland and Iceland.

"Gaza is one of the most densely populated and one of the poorest areas in the world," Mr. Degn said in the statement.

He said much development aid was needed to build up an administration, infrastructure, a health

service and an education system in areas that would be granted self-rule.

The five Nordic foreign ministers gathered Tuesday and Wednesday on the Swedish island of Gotland in the Baltic Sea for a meeting on international affairs.

Israel's foreign minister, Shimon Peres, said last week during his visit to the Nordic countries that he had suggested that they donate 5 percent of their foreign aid for the coming years for Gaza and the West Bank. Although it was not known at the time, secret talks between Israeli and PLO leaders were under way in Oslo.

A spokesman for Denmark's Radical Liberal Party said it was a "good idea to take part in the construction of these Palestinian regions."

His counterpart of the opposition Socialist People's Party said, "Denmark can help these territories to function as lasting economic entities. We can and must give large sums of money to these regions and assist them with their agriculture, infrastructure, high-technology and industrial development."

A French Foreign Ministry spokesman said Paris had urged its 11 EC partners "to quickly examine what aid, notably economic aid, the European Community could contribute when the time is ripe to implement the plan."

Yasser Arafat, chairman of the PLO, sent a message to France early last week requesting funding for a Palestinian entity to emerge from the peace process.

The PLO information chief, Yasser Abed Rabbo, said in Paris last week that similar requests had been made to Belgium, the EC president, and to the United States and Russia as co-sponsors of the 22-month peace negotiations. (Reuters, AFP)

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TERRORISM: Breakthrough Brings a Threat, Too

Continued from Page 1

port more than 415 suspected Islamic militants to the no-man's-land on the Lebanese border last year, defying the peace talks and boosting support for the fundamentalists.

Hamas's popularity has grown at the expense of the PLO, which many Palestinians criticize as being increasingly corrupt and ineffective.

Mr. Kappelman said that as the PLO took over administrative functions in the Israeli-ruled West Bank and Gaza Strip, "we're going to see assassinations of Palestinians who support any compromise." Hamas is closely linked with the Iranian-backed, Lebanon-based Hezbollah organization, which is seen as responsible for carrying out numerous assassinations of Israeli and American interests, including the destruction of the U.S. Marine barracks in Beirut in 1983, in which 241 soldiers were killed. Hezbollah also claimed responsibility for the massive bomb attack on the Israeli Embassy in Buenos Aires last year, in which 29 people were killed and more than 240 injured.

Paul Wilkinson, director of the Research Institute for the Study of Conflict and Terrorism in London, said the tensions created by the draft autonomy agreement were likely to boil over to other parts of the world.

"Bearing in mind America's major role as broker, it's obvious that the extremists are going to see the United States as a key target, along with Israeli embassies and U.S. aircraft," he said.

Although airlines have tightened up security procedures since the terrorist bombing of Pan Am flight 103 over Lockerbie, Scotland, in 1989 and the subsequent bombing of a French airliner in Africa, Mr. Wilkinson said lapses in security remained.

Bombing is not the only threat. Fundamentalist groups are reported to have obtained U.S. Stinger anti-aircraft missiles supplied to anti-Communist Mujahidin fighters in Afghanistan. Such missiles have the range and capability to destroy a large civilian jet in midair.

With Islamic fundamentalists already indicted in the World Trade Center bombing in New York and accused of plotting a further round of atrocities, the United States is clearly in the front line of any violence spilled out of the Middle East. But Mr. Wilkinson said the terrorists could strike a range of targets around the world, particularly in Norway, for its action in facilitating the talks between the Israeli government and the PLO.

Mr. Arafat is also threatened by secular opponents in the Syrian-backed Popular Front for the Liberation of Palestine led by Georges Habash and a breakaway group led by Ahmed Jibril, which is linked to Libya. The groups have been responsible for the assassination of a number of PLO leaders.

Finally, Mr. Wilkinson warned that rightist Israeli religious fundamentalists may try to stage terrorist attacks against Palestinian targets on the West Bank to disrupt the peace process.

ISRAEL: The Hard Part Is Selling the Peace at Home

Continued from Page 1

where people can say that the government has no popular support on this," said Tsali Reshof, a leader of Peace Now, one of the more important groups here favoring territorial concessions. Another Peace Now member said, "We want to stop negotiating the streets to the right."

But the right, while thrown off balance this week by the sudden agreement, says it is not about to be shoved off the curb. Nor will it be polite, it says. Settlers in particular feel bruised by Mr. Rabin, who barely camouflages his disdain for them. A few weeks ago, he called them "crybabies," and he repeatedly makes clear that he cares mostly about the 98 percent of Israeli Jews living inside the boundaries that existed before the 1967 Middle East war, not the 2 percent on the other side.

"There's a growing understanding that we have to answer shock treatment with shock treatment on our own," said Yehiel Leiter, a spokesman for the main settlers group, the Council of Jewish Communities in Judea, Samaria and Gaza. For Mr. Leiter, that still includes street rallies, such as one planned for Jerusalem next week. He also wants mass acts of civil disobedience, with hundreds and even thousands of protesters carted off to jail in the hope that "it will persuade people that this is not worth the price of Jewish fighting."

No less important than the streets is a fight shaping up in parliament, which will get to vote on the agreement, most likely in the form of an opposition-demanded vote of no confidence.

On paper, it should be a simple matter. Mr. Rabin has a 62-to-58 majority in the legislature, and on this vote he can make it 67-to-53 because 5 members from 2 small Israeli Arab parties will undoubtedly support him. But political life is rarely one-sided.

There is a good chance that Shas, the only religious party in the Knesset, will soon withdraw and take its six seats with it because of a threatened indictment of its leader, Interior Minister Aryeh Deri, on corruption charges.

Arafat Restates Claim by PLO To Jerusalem

Agence France-Press

KHARTOUM, Sudan — The Palestinians will not renounce their claim to Jerusalem, Yasser Arafat has pledged in defending his draft autonomy accord with Israel.

"The Palestinians will not give up an inch of Jerusalem," the chairman of the Palestine Liberation Organization said Tuesday after talks with the Sudanese leader, General Omar Hassan Ahmad Bashir, as part of a tour of Arab states to discuss the accord.

Palestinian hard-liners have charged that the secret PLO deal with Israel on autonomy for the occupied territories amounts to a sell-out of Jerusalem.

DEFENSE: U.S. Foresees a Tight but Lethal Force

Continued from Page 1

80 percent identical components, such as avionics and weaponry.

Symbolic of the new strategy is a plan to convert the B-1 and B-2 bomber fleet from nuclear strike aircraft to ones firing precision conventional weapons.

Officials said two fully simultaneous regional wars were not likely, in part because there was no Soviet Union to project its power in such a fashion.

But planning for two, they said, could deter at least one.

In its direction, the plan is not significantly different from one devised during the administration of President George Bush. What is new, Mr. Aspicio said, is the plan's "fundamental assumptions" about the future. Moreover, final decisions have been made on specific personnel and weaponry cuts.

In addition, the Pentagon will place new emphasis on training for disaster relief, humanitarian assis-

tance, peacekeeping and embassy evacuations.

By the end of the decade, 115,000 civilian personnel would be cut from the military. The active force would be cut by about 160,000. The F-16 and F/A-18C/D aircraft would be canceled, as would the A/FX bomber.

Trimmed from the force envisioned by Mr. Bush would be two active army divisions, one reserve division, three active air force fighter wings, four reserve fighter wings, one active navy air wing, one reserve navy air wing, one aircraft carrier and 55 surface ships and submarines.

At the same time, the F-22 radar-evading fighter would be built, more army equipment would be prepositioned, Army National Guard readiness would be upgraded, the Marine Corps would be enlarged from previously planned levels, the V-22 vertical takeoff plane would be developed, a new generation of "brilliant" precision weapons would be developed to

replace "smart" bombs and missiles, two shipyards capable of producing carriers and nuclear-capable submarines would remain open, and the new C-17 transport plane or an equivalent will go forward.

A new attack submarine will be built to replace older models. The ballistic missile defense system will be modernized, but overall, its budget would be cut by \$21 billion over five years.

Thus, the 1999 U.S. military would consist of 10 active army divisions (down from 18 in 1990), five reserve divisions (down from 10), 12 aircraft carriers (down from 16), 11 navy air wings (down from 15), 346 ships (down from 546), 20 active and reserve air force fighter wings (down from 36), 18 ballistic missile submarines (down from 34), as many as 184 strategic bombers (down from 301), 500 intercontinental ballistic missiles (down from 1,000), and a Marine Corps that would look much the same as it did in 1990.

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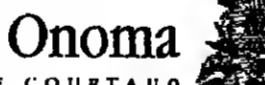
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HEALTH / SCIENCE

The Promise And Pitfalls of Gene Therapy

By Jane E. Brody New York Times Service

NEW YORK — It is not surprising that gene therapy is getting mixed reviews. Although hailed by many as the most exciting medical development since the discovery of antibiotics, it is also a source of concern and even fear.

For gene therapy involves a kind of manipulation that in theory can give doctors and scientists the tools to make changes in the genetic blueprint that is the physical essence of all living things.

Frightening images of Dr. Frankenstein and his monster or, more realistically, the Nazis' attempt to create a master race haunt those who are concerned about this remarkable new ability to manipulate genes. They worry about sinister possibilities, like trying to eliminate a predisposition to homosexuality or to being short or any characteristic viewed as undesirable by parents or by scientists in control of the technology.

Even some leaders in the field are apprehensive about the speed with which gene therapy seems to be developing. They are worried that rapid innovation will outstrip the pace of safety checks needed if the techniques are to be widely applied.

A U.S. federal regulation is already in place to permit the premature use of gene therapy in "desperate cases" before the treatment has been adequately studied for safety and effectiveness.

Every technological innovation, from antibiotics to atomic power, has presented the possibility for misuse. Guidelines and safeguards will eventually have to be established for gene therapy, but for now it is im-

portant that the public understands what it is all about as well as its extraordinary potential for good, and not just its possible dark side.

Gene therapy is the logical extension of two quantum leaps in modern genetics: the identification of specific fragments of DNA that dictate production of particular proteins or that modify the expression of other genes, and the ability to insert those fragments into disarmed viruses or other vehicles that can transport them into living beings without the complications of sexual reproduction and without having to wait a generation to fix a genetic wrong.

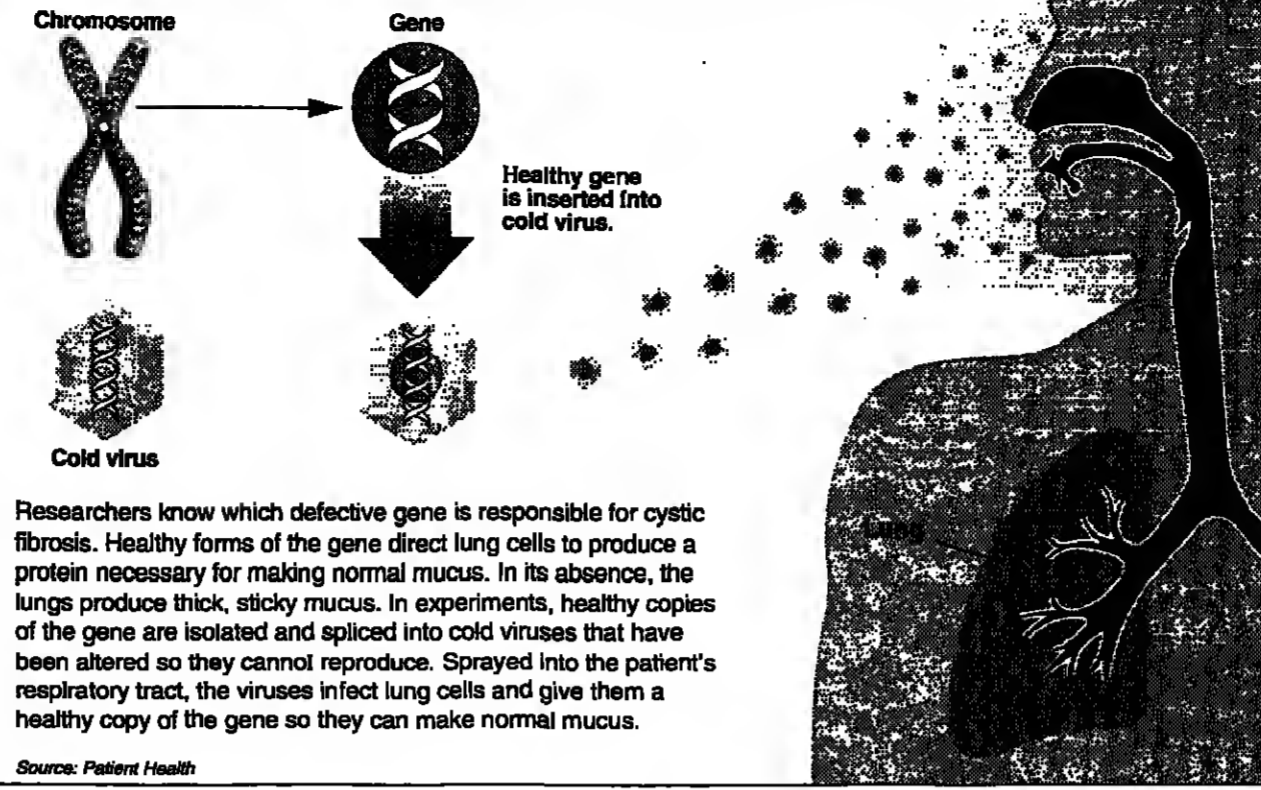
Gene therapy involves changes in the somatic, or body, cells, not in the sperm or egg. Its effects are therefore limited to the person being treated and cannot be passed on to future generations.

The concept of supplying living beings with substitute genes grew out of the study of tumor viruses. These retroviruses, as they are known, can invade normal cells without killing them. Instead they transform the cells by inserting viral genes into the cells' genetic material. And, when necessary, the viruses can be directed to unload their cargo in specific types of cells.

A variety of biochemical tools are used in gene therapy, and many orders are sure to be developed in the near future. For example, to get a gene into the brain, gene therapists are using a modified herpes virus that has a predilection for nervous system tissue.

The virus vector has been changed so that it cannot reproduce but can still infect cells and deliver its therapeutic gene cargo. In other cases, modified tumor viruses or fatty particles called liposomes are used as the carrier. For

Gene Experiments in the Real World



Source: Patient Health

example, to insert genes that can stimulate an immunological reaction to a cancer.

Through gene therapy, a person can be supplied with a healthy, functioning gene to compensate for a missing or defective one, experimentally cystic fibrosis, for example, and potentially for sickle-cell anemia.

There are 4,000 such genetic disorders, all of which in theory may be amenable to correction through gene therapy.

There are also a number of serious disorders that, though not inherited in a one-gene fashion, run in families, like heart disease, breast and colon cancers, diabetes and Alzheimer's disease.

As more is known about hereditary components of these disorders, it may be possible to alter their course by introducing genes that

prevent the disorders by modifying the action of the damaging genes.

Then there are conditions like Parkinson's disease and insulin-dependent diabetes in which certain organs have lost the ability to produce a needed substance. Genes that correct these deficiencies might be introduced into the appropriate tissue.

Perhaps most exciting is the possibility, already showing some success in hopeless cancers, of modifying the body's immunological responses through gene therapy. In the case of cancer, this means overcoming the disguises that protect cancer cells from immunological rejection.

Another approach to cancer would be the introduction into tumors of viral "suicide" genes that render the cells vulnerable to anti-

ral drugs, a technique that has proved highly successful in animals.

Studies described last spring showed that a very promising "by-stander" effect was at work: neighboring cancer cells not infected by the suicide gene also became vulnerable to antiviral therapy.

Practical gene therapy is less than three years old. In September 1990, doctors at the National Institutes of Health used gene therapy for the first time to correct an inherited and invariably fatal immunologic disorder in a 4-year-old girl from Cleveland. The treatment worked better than even the researchers had expected, and the child was able to start school the next year with a fully functioning immune system.

But while gene therapy has moved from the theoretical to the

practical in a remarkably short time, it has a long way to go before it can become standard medical practice. It is now highly complicated and costly. It will be some time before gene therapy becomes a tool of practicing doctors.

Meanwhile, researchers are trying to define and limit its risks. One danger is that inserted genes might activate other harmful genes, like cancer-causing oncogenes. Failure mechanisms are needed to enable researchers to destroy an inserted gene that malfunctions or causes other unexpected problems.

In a survey of 1,000 adults last year for the March of Dimes, Louis Harris & Associates found that 89 percent approved of using gene therapy to treat genetic diseases and an equal percentage favored continued research in the field.

Oldest Stone Tools Give Further Hints On Human Origins

By Susan Okie Washington Post Service

ARUSHA, Tanzania — The oldest stone tools ever found — 2.6 million years old — have been unearthed near the Gona River in Ethiopia. The tools — sharp-edged flakes of rock that were probably used for cutting or whittling and larger rock "cores" from which the flakes were chipped — extend by almost 250,000 years the earliest date at which at least one species of human-like primate had discovered that stones could be broken to create an implement useful in getting food.

Before the new discovery, the oldest decisively dated stone tools — found in the Omo River region of Ethiopia — were found to be 2.3 million to 2.4 million years old.

"We're dealing here with the earliest evidence of technology, which is a very human trait," said John W. K. Harris of Rutgers, who reported the find.

The age is significant because the period between 3 million and 2 million years ago was critical to human evolution. Climates on Earth became drier and cooler about 2.5 million years ago, causing forests in many parts of Africa to give way to more open terrain. That created new pressures for the several species of large, two-legged, intelligent primates, or hominids, and may have intensified competition for food.

"I see stone tool manufacture and use as an indication of changing diet," Dr. Harris said. "The obvious food that existed out there was carcasses. They would need some sharp implement if they were going to cut through the hide and acquire meat."

Several years ago at nearby Hadar, researchers found fossil bones belonging to a very early hominid, Australopithecus africanus, that lived 3 million to 4 million years ago. This species — of which perhaps the most famous specimen is the skeleton called "Lucy" — walked on two legs but had a relatively small brain, and there is no evidence to suggest that it chipped stone to make tools. Dr. Harris said there are few hominid fossils dating from the period when the newly discovered implements were manufactured, and researchers do not yet know which species was their maker.

He said paleoanthropologists believe that larger-brained primates of the genus Homo, related to our species, Homo sapiens, first appeared sometime around 2.5 million years ago. Fossil evidence shows that they inhabited the same territory as heavy-jawed, smaller-brained australopithecines, and may have competed with them for food.

The Gona River tools were discovered this year by Dr. Harris' team, which also included Craig Felber, a University of Utah geologist, Selishi Semaw, an archaeologist from Ethiopia's Ministry of Culture, and Ray Bernor, paleoanatomist of Howard University.

Clues to Evolution in an Extraordinary Family of Fish

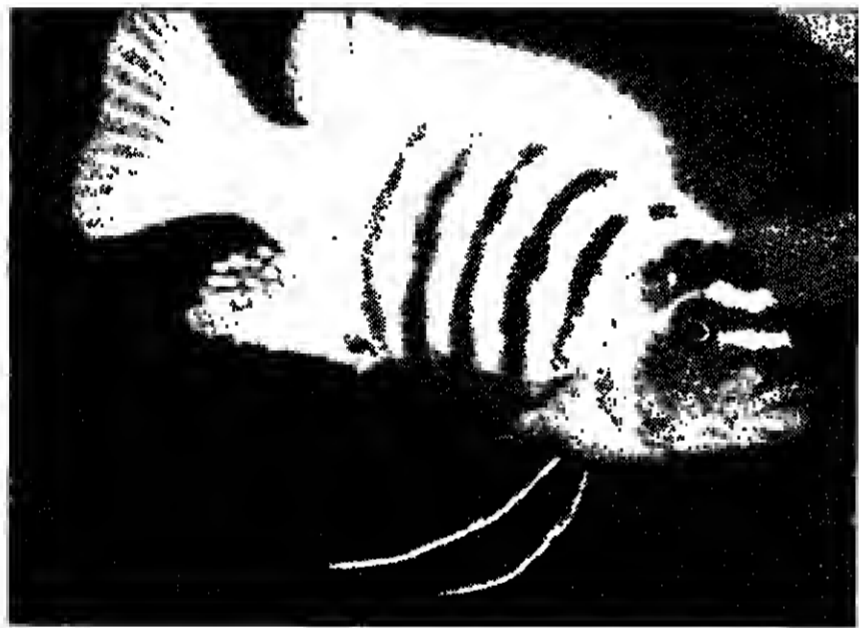
By Natalie Angier New York Times Service

BERKELEY, California — The date is a dud and both parties know it. Yet as long as they are stuck with each other for a time they make a wan effort to flirt. He lunges lazily toward her. She quivers slightly in response. He flaps his tail against her. She flares her gills to show their provocative red undersides. He circles around, charges her again and tries to nip her, but now she's getting bored with the charade and moves away from him. Reacting likewise, he drifts off to the opposite end of the tank. For a few moments they are each lost in the inscrutable vastness of fish thought. And then it happens. The female opens her plump, sensuously carved lips into the widest, roundest, most perfect, least courteous gape of mouth that can be imagined: a fish yawn.

"The female doesn't seem very interested, does she?" said Suzanne Henson, a student carrying out an experiment on the mating habits of cichlid fish.

Sometimes, Ms. Henson said, when a female is put in a tank with a male, she becomes so excited that her genitals swell and she immediately grows heavy with eggs. For his part, an interested male is a violent male, behaving toward his potential mate with an abstinence that looks like grounds for criminal charges. "Once a male bit a female so hard I actually jumped," said Ms. Henson. "I could hear the sound of the crunch." But not today, and not with these two stags. Their disastrous date is finished, the experiment over, and each is returned to its proper tank.

Ms. Henson works in the laboratory of Dr.



One of the more than 500 varieties of cichlids found in Lake Malawi.

George W. Barlow of the University of California at Berkeley, a leading authority on the great and wildly diverse group of animals known as cichlid fish. She and others in the lab are studying the Midas cichlid, a beefy, square-jawed creature from Nicaragua that comes in two color schemes, zebra-striped or gold — the last accounting for the species' name. Midas

fish, like many other cichlids, are monogamous, and the researchers are seeking to understand the individual traits that inspire one Midas to choose another as its mate for life.

The question is part of a broader consideration of the sexual, social and feeding behaviors of cichlids, an extraordinary family of fish that many evolutionary biologists believe could help

resolve the great puzzle of how species evolve and how diversity in nature arises from monotony.

More than 1,000 species of cichlid fish live in the lakes and rivers of Africa, Madagascar, India and Latin America. They are a highly successful tribe, frequently dominating their environment through a blend of intelligence — unusually high for a fish — and elaborate rituals of parental care. But what makes them so unusual is the number of species that often coexist in the same place. More than 500 different varieties of cichlids swim in Lake Malawi, in southeast Africa, while about 200 other species live in Lake Tanganyika, in Tanzania. Some species are bigger than goats, others could fit in a thimble. Some are thick and bony, others lean and long. They are brown or turquoise or every shade of a neon rainbow painted on a single beast.

And the cichlid's rate of speciation has been explosive. In Lake Victoria of East Africa, for example, 300 species of cichlids arose in less than 200,000 years, an evolutionary pace that no other animal group has rivaled. Certainly none of the other fish groups found in the three African lakes has undergone anything approaching the spectacular diversification managed by the cichlid family.

In the journal Trends in Ecology and Evolution, Dr. Axel Meyer, a molecular geneticist at the State University of New York at Stony Brook, pulled together much of the recent molecular data on cichlid fish. The DNA work has confirmed previous results from the taxonomists that cichlids are monophyletic, that is, they all originate from a single ancestral fish that arose perhaps 120 million years ago, when India, Africa and Latin America were one giant

continent. Since the breakup of the continents, the founder fish that were carried off to different regions of the planet have gone their own ways, speciating wildly in all cases yet by very distinctive genetic mechanisms from one lake or river to another.

In some instances, species of cichlid fish that look and behave radically differently from one another turn out to be almost identical genetically.

For example, Dr. Meyer compared the DNA of 14 Lake Victoria cichlid species, choosing fish with radically divergent feeding behaviors: a snail eater, a cichlid that feeds on its fellow cichlids, a cichlid that eats only the eyes of other cichlids, another that exclusively sucks young cichlid fry out of the protective mouths of their parents. Yet despite the fishes' specialized appetites, their genes differ from one another by a mere two or three bases, or chemical subunits, out of the many hundreds of bases that constitute the genes examined. "This genetic invariance was a very big surprise to us," said Dr. Meyer. "There's more variation among human populations than I had among my fish."

And humans, of course, are all members of the same species.

The new work suggests that much of the success of the cichlid family could lie in its unusual degree of molecular flexibility, with minor differences in genes able to yield enormous disparities of comportment.

"There's always a new amazing story when you study cichlids," said Dr. Meyer. "The standard idea in ecology is that there are various niches waiting to be filled, and species arise to fill them. But cichlids seem to create their own niches."

IN BRIEF

Antarctic Ozone Levels Dropped Sharply in August

GENEVA (Reuters) — A United Nations expert has reported that there was a sharp fall in ozone levels over the Antarctic in August and that this year's seasonal "ozone hole" would probably be the biggest yet.

Rumen Bojkov of the World Meteorological Organization said ozone levels over the Antarctic fell by more than 35 percent over four weeks. The decline, reaching more than 50 percent in some areas, began earlier than normal. If the levels continued to drop, he said, the seasonal hole in the Earth's protective ozone layer could cover even more than the record 25 million square kilometers (9.7 million square miles) it measured in 1992. Meteorologists say levels of stratospheric ozone over the Antarctic have declined in the months of September and October since the late 1970s.

Responding to recent reports that the build-up of ozone-destroying chemicals has slowed substantially, Dr. Bojkov said the analysis was correct. But he said chlorine, bromine and other ozone-eaters would remain in the atmosphere for 70 to 100 years.

12-Century Crusader Fort Discovered in North Israel

JERUSALEM (Reuters) — Israeli archaeologists say they have uncovered the largest 12th-century crusader fortress ever found in the Holy Land.

Named Chastellet, meaning small fortress, by French Crusaders who built the castle in 1178, the site contained hundreds of battle instruments, including catapult stones and spears, and the remains of a crusader. It was found in northern Israel near the Jordan River.

BOOKS

THE INVISIBLE MAN: The Life and Liberties of H. G. Wells

By Michael Coren. 240 pages. \$22.50. Atheneum.

Reviewed by Andrew Motion

THE writer H. G. Wells once told J. B. Priestly how he had chatted up a bird in the tree outside his bedroom window. "It started to chirp and flap its wings," he claimed excitedly, "and then settled in the branch nearest to me. It just stared. You see, I could charm the birds in the trees." Poor Wells. In the 47 years since his death, his reputation as a charmer of readers has declined steadily, and has been partially but not substantially replaced by his role as a charmer of women. We are used, by now, to

WHAT THEY'RE READING

• Melina Mercouri is reading "I Mitera Toy Skylos" (The Mother of the Dog) by Pavlos Matsis. "The Mother of the Dog" is the grotesque wedding of tragedy with comedy. So would have written Fellini, Beckett and Faulkner if they were Greek. (Mary Blume, IHT)



reading that, like other pioneers of the modern age, he imagined a Utopia in which leftist and rightist ideas were strangely meshed. The story of an unlikely Lothario, however, never loses its fascination. How did he do it? We wonder, contemplating the weedy young

man with the mothy mustache, or the tubby midwife with rhenmy eyes.

Michael Coren fights hard to rise above such questions. At the start of his "Prelude," indeed, he insists that his purpose is wholly high-brow. "It is my belief," he says,

"that Wells's influence on his own age, and his legacy to those ages to come were, taken as a whole, pernicious and destructive." There, that's telling us — and warning us, too, that we should expect his book to conform to the Interventionist School of biography, in which readers are supposed to be incompetent to make their own judgments about the facts presented to them.

As it turns out, Coren's bark is a good deal worse than his bite. Previous books on Wells — notably Anthony West's — have already knocked the old boy off his pedestal, which means these latest ruminations of anti-Semitism and chauvinistic bulldozing have lost their power in astonish — if not to offend. Maybe Coren half recognizes this. It's certainly true that when he wants to snarl he often seems lofty — "His prurient nature was in full flourish now," he tells us at one point, and again: "He knew servants, after all." It makes for an uneasy narrative, and occasionally attracts to the author the antipathy we are meant to feel for the subject.

Still, it's an extraordinary story, and the sense of its individual pain, as well as its emblematic value, survives Coren's treatment. Wells is the autodidact's autodidact — someone squeezed into existence by a culture of jarring opposites. He was born below stairs to a servant in a large country house, but aspired to the smoke-filled clubs of the Establishment. He had to fight for his education, then earned his living in a society desperate to know what he had learned. He felt precarious and vulnerable, but transmuted these feelings into a passion for dogma.

It was a long, uncomfortable process, and the way was strewn with casualties. Female casualties, mainly. Once Wells had escaped his parents' world, he moved via the Normal School of Science, in London, to the self-helping realms of journal-

ism, belles lettres and novels ("The Time Machine," "The Island of Dr. Moreau," "The Invisible Man," and "The War of the Worlds" just for starters). It was a realm of sexual opportunity, as well. His first marriage lasted only a few years, his second survived but was gored and gashed by innumerable affairs.

Wells's first books introduced themes that remained his preoccupations. In "Anticipations" (1901) he developed them in a purely theoretical way, tracing liberal democracy and envisaging the emergence of a new class "adapted to the big-scale conditions of the new time... an unprecedented sort of people." More than 30 years later, Hitler was having the same sort of thought, and as Wells's ideas developed they coarsened to bear a closer and closer resemblance to their hideous Nazi spawn.

So it's no surprise that Wells spent so much time quarrelling. At least, it wouldn't be a surprise if the quarrels had taken place on high moral ground. More often than not, they were dingy, off-center, even a little ridiculous.

The final part of his long life is a grim story of failing powers and falling sales — and also of history proving that the worst things he had imagined were not bad enough to match reality. Coren softens his tone as he moves through these dark days, but at the close it's his irritation and disapprobation we remember most clearly, not his sympathy. As we watch Wells brought to his knees, we instinctively want to raise him again. As we measure his extreme views, we remember his vitality, his sense of fun, the birds in the trees. We realize that now he has been brought so low, his reputation has nowhere to go but up.

Andrew Motion, a poet and biographer, is the author, most recently, of "Philip Larkin: A Writer's Life."

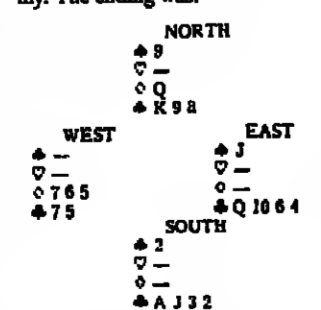
BRIDGE

By Alan Truscott

UDREY Kurland and her partner, Dorothy Posner, led the field after the first day's play in the Goldman Pairs during the Memorial Day weekend. They were aided by the diagrammed deal on which Kurland, as South, had to handle a tricky six-heart contract.

South's second bid, a jump to five hearts, was unusual but effective. One problem was solved when a trump was led and dummy's king collected the queen. The diamond jack was finessed, losing to the king, and another trump was led to South's jack. There was a temptation to maneuver a spade ruff in the closed hand by using the diamond queen for a spade discard, but that would have failed for lack of entries to dummy. Instead South cashed the A-K of

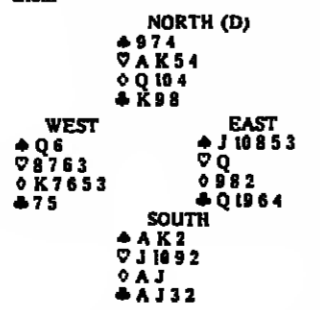
spades and the ace of diamonds, and drew trumps ending in dummy. The ending was:



The diamond queen now squeezed East in the black suits to make the slam.

A pseudonymous correspondent, "Coclecanth," makes a brilliant analytical point: West could

have beaten the slam by refusing to win the diamond king at the second trick.



Neither side was vulnerable. The bidding: North 1♠, East Pass, South 2♥, West Pass, North 3♥, East Pass, South 5♥, West Pass.

West led the heart three.

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NYSE

Wednesday's Closing

Tables include the nationwide closing up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High Low 2000 80 70 60 50 40 30 20 10 0

Symbol	Price	% Chg
IBM	100.00	+0.12
MSFT	55.00	+0.12
ORCL	45.00	+0.12
INTL	35.00	+0.12
GOOG	25.00	+0.12
AMZN	15.00	+0.12
EBAY	10.00	+0.12
WAL	5.00	+0.12
DIS	4.00	+0.12
BA	3.00	+0.12
GM	2.00	+0.12
F	1.50	+0.12
GM	1.00	+0.12
GM	0.50	+0.12
GM	0.25	+0.12
GM	0.12	+0.12

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TRIB INDEX

INTERNATIONAL MA

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Kodak Seeks 275% Tariffs on Fuji Film Products

By Keith Bradsher
New York Times Service

WASHINGTON — Eastman Kodak Co. has asked the U.S. Commerce Department to impose tariffs of 275 percent on paper and chemicals imported from Japan and the Netherlands for processing of color film.

The case is the first major one in which an American company has argued that a Japanese competitor should raise prices on its products in the United States to reflect the steady rise of the yen against the dollar. Trade specialists say other American companies, including automakers, now are considering similar cases against Japanese competitors.

Kodak, in a petition filed late Tuesday with the Commerce Department, charged that Fuji Photo Film Co. had violated American law prohibiting imports from being sold at unfairly low prices, a practice known as dumping. Its petition, if successful, would probably mean higher film-processing prices in the United States.

Kodak argued that Fuji had a near-monopoly in Japan, a position that allows it to keep its domestic prices high and cut its prices for photographic supplies in the United States. Kodak further contended that Fuji used its profits to undermine the economic position of its foreign rivals.

In its filing, Kodak accused Fuji of selling color photographic paper for less than 20 cents a square foot in the United States while charging slightly more than 60 cents a square foot in Japan.

Kodak is seeking the tariffs on imports of photo printing paper and on chemicals used in developing film, both from Japan and from the Netherlands, where a Fuji subsidiary has a factory.

Thomas H. Shay, a spokesman for Fuji Photo Film U.S.A., the Japanese concern's American subsidiary, said the company had no immediate comment.

The case — which involves materials used to turn exposed film into prints, and not the film itself — seemed to represent a shift for Kodak. Kay R. Whit-

more, its departing chairman and chief executive, has long been an outspoken defender of free trade.

But Kodak's board, unhappy with Mr. Whitmore's managerial effectiveness, announced on Aug. 6 that it would replace him as soon as a new executive could be found. In addition, major investors in Kodak have criticized Mr. Whitmore for his reluctance to take unpopular steps such as laying off large numbers of workers to reduce costs and raise Kodak's stock price.

A spokesman for Kodak, Paul C. Allen, said, "We don't see this action as being inconsistent with our public stance on free trade."

He pointed out that, although this was the first time Kodak had pursued a dumping case involving a photographic product, a Kodak subsidiary successfully sought dumping duties on some Japanese computer disks in the late 1980s.

According to government statistics, the United States imported \$487.7 million worth of the paper and chemicals from Japan last year and \$26.6 million worth from the Netherlands. But Kodak contends that

the official figures understate the imports, partly because some color-printing paper may be inaccurately classified as black-and-white paper.

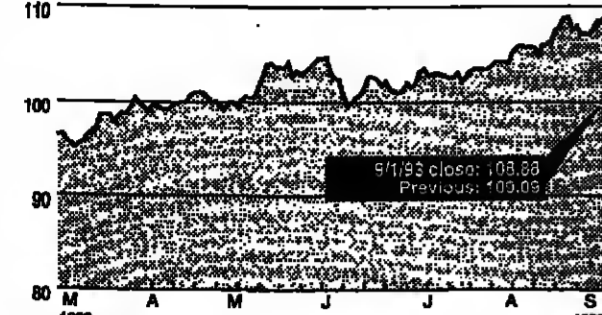
Fuji supplied virtually all the imports, said Kimberly E. Ritrivei, a photo-industry analyst at Lehman Brothers. Kodak and Fuji dominate the U.S. market. The third-ranking company, Konica, has a factory in the United States, Ms. Ritrivei said.

The rising yen tends to make it easier for American companies to win dumping cases they bring to the Commerce Department. That is because retail prices in Japan increase in dollar terms as the yen rises, and the U.S. law requires the department to calculate an imported product's average retail price in the United States and its home market and to impose tariffs if the price in the home market is higher.

The Japanese government and many companies from other countries have complained that such calculations are heavily biased in favor of financially troubled American producers.

THE TRIB INDEX: 108.88

International Herald Tribune World Stock Index, composed of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.

Region	Approx. weighting	Close	Prev.	% change
Asia/Pacific	25%	129.81	129.81	0.00
Europe	40%	105.92	105.57	0.33
N. America	35%	94.39	94.39	0.00

Industrial Sectors	Vol. Change	Pre. % change	Vol. Change	Pre. % change
Energy	106.94	106.90	-0.05	
Utilities	114.30	114.77	-0.41	
Finance	120.44	121.08	-0.53	
Services	118.09	117.71	+0.32	
Capital Goods	104.03	104.23	-0.19	
Raw Materials	106.69	106.87	-0.17	
Consumer Goods	90.00	90.08	-0.09	
Miscellaneous	109.82	109.94	-0.02	

INTERNATIONAL MANAGER

The Minority Jobs Quest: Turning Up Heat in U.S.

By Calvin Sims
New York Times Service

LOS ANGELES — Hughes Aircraft Co. executives were stunned last month when the NAACP publicly criticized the aerospace company for what the group called a dismal record of hiring minority workers. More shocking than the accusations, Hughes executives said, was the way the National Association for the Advancement of Colored People made them: at a news conference, without first giving the General Motors Corp. subsidiary a chance to respond.

Despite an informal agreement between the two parties to work together, the NAACP has continued to berate Hughes in the press for what it says is widespread mistreatment of minorities.

Such hard-nosed tactics are part of a decade-old agenda by the largest U.S. civil rights organization to provide economic opportunities for members of minorities by pressing companies to hire more of them.

Under the Reverend Benjamin J. Chavis, who became executive director last year, the NAACP has aggressively pursued that agenda in recent months. The civil-rights group has held demonstrations in Capitol Hill, picketed the headquarters of government contractors and said not comply with affirmative-action requirements and negotiated a \$1 billion agreement with the parent of the Denny's restaurant chain to increase black employment, management and equity.

While the NAACP had persuaded 70 companies to sign similar agreements — including McDonald's Corp., Pacific Bell, Safeway Inc., Walt Disney Co., UAL Corp. and Adolph Coors Co. — none have reached the scope and magnitude of the Denny's pact.

"Our approach to Corporate America is not so much to ask for special compensation or for entitlement," Father Chavis said. "But we want to raise the question: Does it not make good business sense for companies to redefine their relationship with a multiracial society?"

Father Chavis said black Americans spent about \$380 billion on goods and services in the United States last year and that companies that were the beneficiaries of black consumption had a responsibility to address the needs of that community.

Officials of the association say they are scrutinizing other companies, particularly those that do business with the government or that have a large number of customers who are members of minorities, including aerospace and other military contractors and the entertainment industry. The group said it would act against companies that had poor affirmative-action records.

Asked whether the NAACP risked alienation by employing such tactics, he said:

About 70 companies have signed agreements with the group.

U.S. Cuts Growth Forecast

Expansion to Be Just 2% This Year

By Steven Brill
International Herald Tribune

TOKYO — When Ronald Reagan and Margaret Thatcher led crusades for deregulation in the 1980s, they were motivated by a clear ideology: Get government out of the way and let markets do their thing.

Now, as Prime Minister Morihiro Hosokawa reads his first concrete proposals for untangling the thicket of Japanese regulations, ideological underpinnings are nowhere to be found.

Although Mr. Hosokawa has talked about a more responsive and decentralized government, the driving force behind the current proposals is more practical: To use deregulation to invigorate the economy and improve the lot of Japanese consumers.

"Hosokawa doesn't have any clear-cut economic ideology," said Yasumori Sone, a professor of political science at Keio University. "It's more an amateurish approach aimed at average citizens."

That could make an already challenging process of deregulating the Japanese economy all the more difficult. Economic dogma helped Mrs. Thatcher sell efforts such as the "Big Bang" liberalization of Britain's financial industry in 1986. Without a strong ideology, Mr. Hosokawa will find himself fighting trench warfare with the bureaucracy, guaranteeing that the process will be gradual.

"Our problems are the same" as in the West, said Kozo Uchida, managing director of Keidanren, Japan's powerful business lobby. "But we're taking Chinese medicine. The effects will come slowly and steadily."

Not only does Mr. Hosokawa lack a firm ideological commitment to free markets, but his coalition government is desperately short on experience that would help it wage war against bureaucrats loath to surrender power and status derived from centuries at the center of state-planned development. The coalition is also badly splintered on deregulation, putting Mr. Hosokawa in a delicate spot.

Liberalizing, Japan-Style Pragmatism, Not Ideology, Is Guide

By Steven Brill
International Herald Tribune

TOKYO — When Ronald Reagan and Margaret Thatcher led crusades for deregulation in the 1980s, they were motivated by a clear ideology: Get government out of the way and let markets do their thing.

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French Minitel Loses Something In Translation to U.S. Market

By Kenneth Scott Hart
Special to the Herald Tribune

PARIS — France Telecom's Minitel appears to be running around in North America, and the French state-owned utility is questioning the course of its interactive videotex venture with US West Inc.

After a year and a half of operations and investments of \$80 million, Community Link Minitel Associates, the joint venture created by US West and France Telecom's interactive videotex unit, reported only 7,000 to 1,500 users and a mere 40-dial service in its network in Minneapolis and St. Paul. This seems far from France Telecom's forecast of 800,000 households by 2002, announced in October 1991.

Millions of Americans use competing services that are accessed via home computers equipped with modems. In France, such offerings are rare and expensive, leaving more room for the Minitel system.

Launched in late 1982 with the backing of the Socialist government, the Minitel network's offerings in France include electronic telephone directories, chat and dating services, home shopping and financial reports. The information comes over regular phone lines, using a special terminal. France Telecom gave away millions of terminals produced by the then state-owned Compagnie Generale d'Electricite, which has since been privatized and now is called Alcatel Alsthom.

Since then, the Minitel network has become part of the French landscape: last year more than 6.3 million videotex terminals racked up 23 million hours of connection time for 17,000 different services.

Nevertheless, Minitel has yet to turn a profit. According to a report by the Coopers & Lybrand consulting firm, France Telecom has committed more than 60 billion francs (\$10.2 billion) for its Minitel network, which is expected to break even for the first time in 1997.

Other analysts say even this date is too soon. Due to optimistic forecasts, a failure to introduce new subscription and usage rates, said Gerard Pinrat, telecom analyst with New Industry Research Ltd. in Paris, the Minitel network will not be profitable before 2001.

The slow uptake in the United States has led France Telecom, which holds 40 percent of the venture, to push for a recent shake-up of CLM Associates' managerial team, said Luc Guillet, president of Intelimatic. "And if there are no improvements by the end of the year," he added, "we will review the joint venture's strategic mission."

Despite such comments, Mr. Guillet reiterated France Telecom's "long-term commitment with US West" to be an information-service provider in North America.

CURRENCY & INTEREST RATES

Cross Rates	Sept 1
Australia	1.30
Canada	0.75
France	1.66
Germany	1.36
Italy	1.36
Japan	163.00
UK	1.75
Switzerland	1.48
Spain	166.00
Sweden	136.00
Denmark	136.00
Netherlands	1.80
South Africa	13.50
South Korea	170.00
India	47.00
China	8.20
Hong Kong	7.75
Singapore	1.36
Malaysia	1.36
Thailand	1.36
Philippines	1.36
Indonesia	1.36
Brunei	1.36
Saudi Arabia	1.36
UAE	1.36
Oman	1.36
Qatar	1.36
Yemen	1.36
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MARKET DIARY

Economic Data Weigh on Stocks

Compiled by Our Staff From Dispatches NEW YORK — U.S. stocks closed mixed Wednesday after weak economic reports stirred doubts about the strength of the recovery...

In the bond market, the 30-year Treasury issue rose 2/32 in late trading, to 102 8/32. That reduced its yield to 6.02 percent from 6.09 percent on Tuesday...

Industrial average dropped 6.15, to 3,645.1, but advancing issues on the New York Stock Exchange outnumbered declines by about a 10-to-9 ratio.

A rise in Microsoft, which was up 1 1/2 to 76 1/2, helped the Nasdaq over-the-counter index rise 3.29, to a record 746.15. Edward Kerschner, a strategist at PaineWebber, cited progress on Microsoft's Chicago operating system...

International Paper was downgraded by Bear Stearns, and it fell to 64 1/2. Kodak, which is seeking U.S. trade sanctions on its competitor Fuji and which said it would move some operations to Washington...

rency, the dollar stood at 105.35 yen, up from 104.78 on Tuesday. The U.S. unit was lower against other European currencies. It sank to 1.458 Swiss francs from 1.479 francs and to 5.8300 French francs from 5.8555.

The British pound advanced to \$1.5045 from \$1.4919. "The dollar is looking soft right now," said Tom Beuffer, senior currency-market representative at the Bank of Montreal. "We had a burst of enthusiasm about the economy after Clinton got elected, but now people are looking for slow growth."

The latest U.S. economic news will not cause the Federal Reserve Board to raise interest rates this year and that means a substantial interest-rate gap in favor of the mark is likely to persist, analysts said.

In late London trading, the dollar dipped to 1.6577 DM, a 10-week low, from 1.6790 on Tuesday. The pound sprang up to \$1.5065 from \$1.4890 Tuesday, while the Swiss franc advanced to 1.4610 per dollar, from 1.4795.

The yen was weak across the board, and the dollar rallied by default against the Japanese cur-



Table with columns: Vol., High, Low, Last, Chg. Lists various NYSE Most Active stocks like American Express, IBM, and Microsoft.

Table with columns: Vol., High, Low, Last, Chg. Lists various AMEX Most Active stocks like Intel, Microsoft, and Oracle.

Table with columns: Adv., Decl., Net, Total Issues. Lists NYSE Diary statistics for the day.

Table with columns: Adv., Decl., Net, Total Issues. Lists AMEX Diary statistics for the day.

Table with columns: Adv., Decl., Net, Total Issues. Lists NASDAQ Diary statistics for the day.

Table with columns: Open, High, Low, Last, Chg. Lists Dow Jones Averages for various indices like Industrials, Transportation, and Finance.

Table with columns: High, Low, Close, Chg. Lists Standard & Poor's Indexes for various sectors like Industrials, Transportation, and Finance.

Table with columns: High, Low, Close, Chg. Lists NYSE Indexes for various sectors like Composite, Industrials, and Finance.

Table with columns: High, Low, Close, Chg. Lists NASDAQ Indexes for various sectors like Composite, Industrials, and Finance.

Table with columns: High, Low, Close, Chg. Lists AMEX Stock Index for various sectors like Composite, Industrials, and Finance.

Table with columns: High, Low, Close, Chg. Lists Dow Jones Bond Averages for various bond categories like 20 Bonds, 100 Bonds, and 1000 Bonds.

Table with columns: High, Low, Close, Chg. Lists Market Sales for various categories like NYSE A.M. volume, NYSE P.M. volume, and NASDAQ P.M. volume.

Table with columns: Buy, Sell, Short. Lists N.Y.S.E. Odd-Lot Trading for various stocks.

Table with columns: Bid, Ask, Bid, Ask. Lists S&P 100 Index Options for various strikes and expirations.

Table with columns: Bid, Ask, Bid, Ask. Lists MASDAQ Diary statistics for various categories like Adv., Decl., Net, Total Issues.

Table with columns: High, Low, Last, Settle, Chg. Lists EUROPEAN FUTURES for various commodities like Wheat, Soybeans, and Corn.

Table with columns: High, Low, Last, Settle, Chg. Lists Food futures for various commodities like White Sugar, Coffee, and Cocoa.

Table with columns: High, Low, Last, Settle, Chg. Lists Metals futures for various commodities like Aluminum, Copper, and Zinc.

Table with columns: High, Low, Last, Settle, Chg. Lists Stock Indexes for various markets like S&P 500, Dow Jones, and Nikkei.

Table with columns: High, Low, Last, Settle, Chg. Lists Spot Commodities for various commodities like Wheat, Soybeans, and Corn.

Table with columns: High, Low, Last, Settle, Chg. Lists Dividends for various stocks.

Table with columns: High, Low, Last, Settle, Chg. Lists Financial futures for various commodities like Treasury Bonds and Treasury Notes.

Table with columns: High, Low, Last, Settle, Chg. Lists Industrials for various sectors like Chemicals, Electronics, and Machinery.

Table with columns: High, Low, Last, Settle, Chg. Lists U.S. FUTURES for various commodities like Wheat, Soybeans, and Corn.

Table with columns: High, Low, Last, Settle, Chg. Lists Grains for various commodities like Wheat, Soybeans, and Corn.

Table with columns: High, Low, Last, Settle, Chg. Lists Metals for various commodities like Gold, Silver, and Platinum.

Table with columns: High, Low, Last, Settle, Chg. Lists Livestock for various commodities like Cattle, Hogs, and Pigs.

Table with columns: High, Low, Last, Settle, Chg. Lists Financial for various commodities like Treasury Bonds and Treasury Notes.

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U.S./AT THE CLOSE

More Layoffs at American Airlines

FORT WORTH, Texas (AP) — American Airlines said Wednesday it would lay off an undisclosed number of employees this year because of its continuing unsatisfactory financial performance and a need to cut costs.

Hawaiian Airlines Revises Ownership HONOLULU (Bloomberg) — HAL Inc., the parent company of Hawaiian Airlines, said Wednesday it had revised its restructuring plan to give creditors a larger stake in the company and current shareholders a reduced interest.

Court Unblocks Insurance Takeover LOS ANGELES (LAT) — Removing what is probably the last obstacle blocking the long-awaited revival of Executive Life Insurance Co., a California appeals court has rejected two legal bids to thwart French investors seeking to take over the Los Angeles company.

For the Record Seagram Co. said second-quarter earnings had jumped 56 percent, to \$170 million. Revenue at the beverage maker rose slightly, to \$1.44 billion in the quarter, from \$1.41 billion a year ago.

Home Shopping Network's chairman Roy Spear, who resigned last month under a cloud of criminal allegations, will continue working for the company as a \$500,000-a-year consultant for the next five years, company documents show.

American Honda Motor Co. said that the base price of its redesigned 1994 Accord sedan, which will go on sale next week, will be \$14,330, unchanged from the 1993 version.

Iraq Talks Pound Oil Prices LONDON — Oil prices plunged Wednesday on revived prospects that the United Nations may ease its embargo on Iraqi oil sales.

Deputy Prime Minister Tariq Aziz held talks with the UN secretary-general, Boutros Boutros Ghali. Traders think the UN chief is urging Iraq to resume talks on oil sales worth \$1.6 billion.

In London, October futures for the benchmark Brent Blend crude dropped 35 cents to \$16.73 per barrel. In New York, October light sweet crude futures were down 32 cents to \$17.97.

WORLD STOCK MARKETS

Table with columns: Market, High, Low, Last, Chg. Lists stock market data for various international markets including Amsterdam, Brussels, Frankfurt, London, Milan, Madrid, Sao Paulo, Singapore, Zurich, Tokyo, and others.

European Stocks Fall Sharply

LONDON — The major European stock markets ended sharply lower Wednesday as investors took profits following recent strong gains. Although analysts said the underlying tone remained bullish, they added that a phase of consolidation should now be expected.

Table with columns: Market, High, Low, Last, Chg. Lists European stock market data for various countries like Germany, France, Italy, and the UK.

Table with columns: Market, High, Low, Last, Chg. Lists Asian stock market data for various countries like Japan, Hong Kong, and Singapore.

Table with columns: Market, High, Low, Last, Chg. Lists Latin American stock market data for various countries like Brazil, Mexico, and Chile.

Table with columns: Market, High, Low, Last, Chg. Lists African and Middle Eastern stock market data for various countries like South Africa and Egypt.

Table with columns: Market, High, Low, Last, Chg. Lists Australian and New Zealand stock market data for various countries like Australia and New Zealand.

Table with columns: Market, High, Low, Last, Chg. Lists Canadian stock market data for various countries like Canada.

Table with columns: Market, High, Low, Last, Chg. Lists other international stock market data for various countries like India and Russia.

U.S. FUTURES

Table with columns: Market, High, Low, Last, Settle, Chg. Lists U.S. futures data for various commodities like Wheat, Soybeans, and Corn.

Table with columns: Market, High, Low, Last, Settle, Chg. Lists U.S. futures data for various commodities like Grains and Oilseeds.

Table with columns: Market, High, Low, Last, Settle, Chg. Lists U.S. futures data for various commodities like Metals and Livestock.

Table with columns: Market, High, Low, Last, Settle, Chg. Lists U.S. futures data for various commodities like Financial and Energy.

Table with columns: Market, High, Low, Last, Settle, Chg. Lists U.S. futures data for various commodities like Food and Textiles.

Table with columns: Market, High, Low, Last, Settle, Chg. Lists U.S. futures data for various commodities like Chemicals and Plastics.

Table with columns: Market, High, Low, Last, Settle, Chg. Lists U.S. futures data for various commodities like Precious Metals and Gems.

Table with columns: Market, High, Low, Last, Settle, Chg. Lists U.S. futures data for various commodities like Other and Miscellaneous.

U.S. FUTURES

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Table with columns: Market, High, Low, Last, Settle, Chg. Lists U.S. futures data for various commodities like Other and Miscellaneous.

Large advertisement for Siemens and Nixdorf featuring the text 'The Europe thanks its' and 'Siemens Nixdorf'.

Output Rise In Germany Is Illusory

Reuters
BONN — Industrial output in Western Germany rose 0.5 percent in July, the Federal Statistics Office said Wednesday, but the government said the increase would probably disappear when the figures were revised.

By category, the Statistics Office said manufacturing output rose 1 percent in July, with capital-goods and consumer-goods production both up about 1.5 percent, but mining and building output fell 2.5 percent and 3.5 percent, respectively.

The office added that it expected to revise the overall July figure downward by 1 percent. It revised June figures Wednesday from a fall of 1.5 percent to a decline of only 0.3 percent. Economists had expected that revision.

Separately, the economic research institute DIW in Berlin said that the federal budget deficit would swell to 73 billion Deutsche marks (\$43.76 billion) this year, 5 billion DM more than the government has been forecasting.

If off-budget items are included, the institute said, the 1993 deficit would actually total 93 billion DM.

The institute said federal, state and local deficits were continuing to grow because of a lack of political will to trim government subsidies as well as the recession.

ABN-Amro: Now, Europe After U.S., Bank Seeks a Wider Base

By Jon Henley
Special to the Herald Tribune
AMSTERDAM — Quietly and unobtrusively, ABN-Amro Bank NV has become one of the three largest foreign banks in the United States. This month, armed with a major share issue, it will set its sights on Europe.

"We need a third home market after Holland and the United States, and Europe certainly now has the strongest call on our attention," Jan Kalf, board member for the foreign network, said in an interview.

Germany, Belgium and France come first on the list of possible buys, Mr. Kalf said.

The product of a 1991 merger between the two largest Dutch banks, ABN-Amro is the most familiar face in its domestic market and ranks fifth among European banks. But with just 15 million people, the tiny Netherlands is cramping ABN-Amro's ambitions.

Announcing Friday that its first-half net profit had advanced 16 percent to 1 billion guilders (\$530 million), the bank said it would call on shareholders with a share issue to raise nearly one and a half times that sum, at current share prices. ABN-Amro closed at 66.60 guilders in Amsterdam on Wednesday.

"Globally, we must compete with banks like Citibank and Deutsche Bank, but from a much smaller home base," Mr. Kalf said. "In competitive markets, we have to acquire the critical mass that will allow us to be a low-cost producer. That's how you get market share."

Noting that 70 percent of the Netherlands' trade is within

'Europe now has the strongest call on our attention.'

Jan Kalf, board member

northwestern Europe and that ABN-Amro's major corporate clients are most active there, Mr. Kalf said this area was a logical target for the bank's next buy.

"Ideally, we want a solid corporate bank in France to complement our private-banking strengths there," he said, adding that ABN-Amro saw particularly good prospects in the planned privatization of French banks.

"Not that we could swallow Banque Nationale de Paris, for example. But parts of some banks should be spun off, others may regroup. We're looking to take advantage of the shake-up.

"In Germany it's the reverse," Mr. Kalf said. There, ABN-Amro already has a position in corporate banking but seeks a better foothold in the market for well-heeled individuals.

Currently, the United States generates more than half of ABN-Amro's foreign earnings, which themselves accounted for nearly 40 percent of its global 1992 profit of 1.7 billion guilders. In the longer term, the bank targets a 50-50 split between profits earned on Dutch and foreign operations, Mr. Kalf said.

The bank's 1992 revenue totaled 12.3 billion guilders.

"Clearly, we now have to concentrate resources on building up a third home market," Mr. Kalf said. The bank held "more or less serious" takeover talks with some 60 banks last year, he added.

ABN-Amro's U.S. balance-sheet total of \$40 billion puts it among the top 30 U.S. banks and the largest three foreign players. But recent acquisitions have been small measured against its consolidated balance sheet of 492 billion guilders at June 30.

Proceeds from the share issue are not intended solely to fund acquisitions, but also to help the bank respond to a possible 20 percent increase in credit calls from northwest Europe recovers from recession, Mr. Kalf added.

Swissair Is Cleared To Forge Link With 3 European Rivals

Reuters
ZURICH — Switzerland told its national airline Swissair on Wednesday to go ahead with plans to link up with three European rivals.

Swissair, Austrian Airlines, Scandinavian Airlines and KLM Royal Dutch Airlines are seeking to cement an alliance — known as Alcazar — by 1997, saying it is the only way to ensure their survival in the fiercely competitive, deregulated air industry.

The ruling Swiss Federal Council in Bern said that after talks with the Swissair chairman, Hannes Goetz, it saw no reason to stop the airline from signing a memorandum of understanding and entering into formal talks. The decision left Austria as the only country involved not to have given its blessing.

Swissair welcomed Bern's decision, saying it improved the chances of the memorandum being signed by mid-September.

An analyst at Zurich Kantonalbank, Rolf Frey, said it would have been a disaster if the government had not given its approval. "Swissair is losing money at the operating level, and it just cannot go on like this," Mr. Frey said, adding that Swiss voters' 1992 rejection of the European Economic Area, a vast common market, had left Swissair cruelly exposed.

But analysts noted the four airlines must still decide on key issues such as the eventual composition of management, and the thorny problem of where the new airline would be centered.

The signing of the memorandum can only go ahead if all the governments concerned say they are ready to make the necessary legal changes. Only the Austrian government, which owns a majority of Austrian Airlines, has yet to sanction the project. Austrian Airlines is still toying with the idea of ditching the Alcazar project to team up with Germany's Lufthansa.

Regional Plans

Lufthansa AG said Wednesday that it may set up a regional airline in collaboration with Austria's Lauda Air, but added that it was waiting to see whether Lauda's rival, Austrian Airlines, would accept its offer of cooperation first. Bloomberg Business News reported from Frankfurt.

"It's probable that a regional airline will be set up, but no decision will be taken until after AUA has reached a decision for or against Lufthansa," said Josef Grendel, spokesman for Lufthansa. AUA, as Austrian is known, "is the No. 1 factor in the Austrian market and has to be taken into consideration."

Investor's Europe			
Frankfurt DAX	London FTSE 100 Index	Paris CAC 40	
100	100	100	
200	200	200	
300	300	300	
400	400	400	
500	500	500	
600	600	600	
700	700	700	
800	800	800	
900	900	900	
1000	1000	1000	
1100	1100	1100	
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3700	3700	3700	
3800	3800	3800	
3900	3900	3900	
4000	4000	4000	
4100	4100	4100	
4200	4200	4200	
4300	4300	4300	
4400	4400	4400	
4500	4500	4500	
4600	4600	4600	
4700	4700	4700	
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5000	5000	5000	
5100	5100	5100	
5200	5200	5200	
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5800	5800	5800	
5900	5900	5900	
6000	6000	6000	
6100	6100	6100	
6200	6200	6200	
6300	6300	6300	
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6700	6700	6700	
6800	6800	6800	
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8900	8900	8900	
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9100	9100	9100	
9200	9200	9200	
9300	9300	9300	
9400	9400	9400	
9500	9500	9500	
9600	9600	9600	
9700	9700	9700	
9800	9800	9800	
9900	9900	9900	
10000	10000	10000	

Very briefly:

- Mercedes-Benz AG said it expected to boost productivity by 15 percent next year in a move to raise competitiveness. Chief Executive Helmut Werner said the 14,000 job cuts announced recently were essential for Mercedes to face up to international competition.
- The Netherlands' gross domestic product rose 0.2 percent in the second quarter from a year ago. It had been unchanged in the first half from a year earlier.
- The European Community sent a team for a three-day visit to find out why Sweden wants to retain its state monopoly on alcohol sales. Sweden, which is negotiating entry into the Community, wants to keep the monopoly because it considers alcohol abuse a major social problem.
- Tate & Lyle PLC, a British sugar refiner, said earnings for the year ending Sept. 25 would "show a marked improvement" due to increased productivity and better conditions in certain key markets.
- Banco Central Hispanoamericano SA, Spain's largest private bank, said it would pay \$180 million for a 20 percent stake in Prime Internacional, a Mexican financial concern.
- Banque Bruxelles Lambert, Belgium's third-largest bank, said net profit in the first half had more than doubled to 3.05 billion Belgian francs (\$85.4 million), from 1.46 billion francs a year ago.

Reuters, Bloomberg, APX, AFP, AP

Wedgwood Swings Into Profit

Compiled by Our Staff From Dispatches
DUBLIN — Waterford Wedgwood PLC, the crystal and china maker, returned to profitability in the first half of the year but warned Wednesday that it expected markets to remain tough and that it would not pay a dividend for the period.

The company said it had made a pretax profit of 400,000 Irish punts (\$556,715) for the first half, compared with a loss of 5.8 million

punts a year ago. Sales rose slightly to 135.4 million punts, from 130.6 million.

But Chairman Donald Brennan said, "the board does not expect any major economic growth in its markets in the near future." He said the company was likely to benefit from "the more favorable currency situation" following the devaluation of the punt and sterling.

(Reuters, AFP)

BLAIR: Bonn and Paris Disagree

Continued from Page 9
 planned to make EC exports more competitive. Unlike the price cuts currently planned, any additional lowering of prices would not be cushioned by giving aid in compensation to farmers.

This first proposal is seen as unlikely to be agreed to either by German or by French farmers.

The second proposal, and the one seen as having the most potential, would be to exempt existing EC stocks from the cut in subsidized exports agreed upon in the Blair House accord. The Community currently has 21 million metric tons of cereal in stock.

The Blair House accord calls for a 21 percent cut in subsidized cereals exports between now and 2000. Although this solution would be unacceptable to French farmers, it is seen as the most likely to win

backing from Germany and the United States by leaving the substance of the Blair House accord intact.

The third proposal would involve carving up the world market to meet French demands that it be in a position to gain from any future expansion of the international market. Such a solution is seen as unacceptable to producers outside the European Community and the United States.

Separately, the French Industry and European Affairs ministers presented a memorandum on EC trade policy in a bid to make the Community's weapons against unfair competition more effective and to bring the EC Commission under closer control by the member states.

The ministers also said that newly industrialized countries including Brazil, China, Mexico, the Philippines, Thailand and the fast-growing "dragons" of Asia should be denied EC trade concessions.

(AP, Reuters, AFP)

Belgium's Effort to Boost The Franc Sends It Lower

Compiled by Our Staff From Dispatches
BRUSSELS — The idea was to restore strength to the Belgian franc. The result was confusion in the currency markets and a drop in the franc's value against the Deutsche mark.

Officials of the Belgian central bank, at a lunch Tuesday for a group of Belgian journalists, sought to reaffirm the bank's commitment to tying the franc's value closely to that of the mark.

But, in an unguarded moment, the central bank's governor, Alfons Verplaetse, said he was reluctant to have the central bank buy Belgian francs on the foreign-exchange market to support the currency.

That was enough to send the franc plunging Wednesday morning. The mark rose as high as 21.60 francs and was last quoted in European trading at 21.44 francs, 4 percent above its central rate of 20.6255

francs in the European exchange-rate mechanism. Belgium has hoped to get the currency back to within 2.25 percent of the central rate.

Traders interpreted his comment as further evidence that support was waning in Europe for close exchange-rate ties to the mark, and the mark gained against other European currencies as well.

The central bank tried Wednesday to control the damage, with a spokeswoman saying it was prepared to use "all instruments available, including intervention in the markets," to support the currency.

The bank also said it preferred to use interest rates to support the franc instead, insisting, "intervention isn't as effective as interest rates." Belgium has yet to cut its main lending rate, the central rate, from 9.5 percent. The rate stood at 6.7 percent two months ago.

(Bloomberg, AFP)

Ciba's Profit Holds Steady

Compiled by Our Staff From Dispatches
BASEL, Switzerland — Ciba-Geigy AG, Switzerland's largest chemicals company, said Wednesday it still expected a higher profit for 1993, although the improvement would be limited by unfavorable business conditions.

The company said net profit for the first half totaled 1.413 billion Swiss francs (\$953 million), hardly changed from 1.41 billion a year ago. Profit had risen 19 percent in 1992, to 1.52 billion francs.

Sales fell 2 percent to 11.85 billion francs in the half.

Analysts said that the results were in line with expectations, and showed potential for further growth in 1994.

(Bloomberg, Reuters)

Club Med Sees 2d-Half Loss

Bloomberg Business News
PARIS — Club Méditerranée SA shares fell 7.1 percent Wednesday after the company said it could have a second-half operating loss.

The shares fell to 405.10 francs (\$69.60) as volume surged to three times the level of the past three months.

The French hotel and vacation group said a second-half operating loss could occur because of the recession in Europe and political instability in some of its vacation locations. As a result, it said it planned to set aside provisions for losses and cut costs.

In June, the company had reported a net profit of 2 million francs for the six months ended April 30, off from 20 million francs a year earlier.

Consolidated sales for the first half rose 2.2 percent to 3.89 billion francs from a year ago.

SIEMENS NIXDORF

Global Leaders:

Every year, DATAMATION, the biggest computer magazine in the world, publishes up-to-date rankings under the heading 'Global Leaders'. The 'top 15 IT-companies worldwide' are listed for various product sectors. Result for 1992: Siemens Nixdorf Informationsysteme AG has clearly confirmed its position as European No. 1 in an environment that continues to be very tough. Compared to last year, the company has achieved significant improvements in some of the published sector ranking lists.

The European No. 1 thanks its customers

Ranking in terms of worldwide turnover, 1992. From Datamation, June 1993 edition.

Large-scale systems	Midrange	Workstations	Software	Maintenance
1	1	1	1	1
2	2	2	2	2
3	3	3	3	3
4	4	4	4	4
5	5	5	5	5
6	6	6	6	6
7	7	7	7	7
8	8	8	8	8
9	9	9	9	9
10	10	10	10	10
11	11	11	11	11
12	12	12	12	12
13	13	13	13	13
14	14	14	14	14
15	15	15	15	15

550 من الأصل

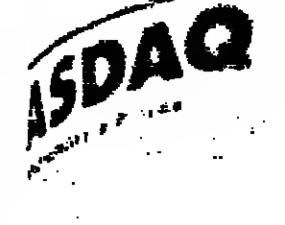
NYSE

Wednesday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Table with multiple columns showing stock market data including NYSE, AMEX, and OTC prices for various securities.

INTERNATIONAL FUNDS

Large table listing various international funds with columns for fund name, ticker, and price. Includes sub-sections like 'ADVERTISMENT' and 'Other Funds'.



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سكدا من الاصلين

NASDAQ

Wednesday's Prices
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 Month High	12 Month Low	Stock	Div	Yld	PE	High	Low	Last	Chg
120.00	110.00	IBM	4.00	3.6	13.0	120.00	110.00	118.00	+2.00
100.00	90.00	Microsoft	0.00	0.0	15.0	100.00	90.00	95.00	+5.00
80.00	70.00	Oracle	0.00	0.0	12.0	80.00	70.00	75.00	+5.00
60.00	50.00	Intel	0.00	0.0	10.0	60.00	50.00	55.00	+5.00
40.00	30.00	Sun	0.00	0.0	8.0	40.00	30.00	35.00	+5.00

12 Month High	12 Month Low	Stock	Div	Yld	PE	High	Low	Last	Chg
30.00	25.00	Apple	0.00	0.0	12.0	30.00	25.00	28.00	+3.00
20.00	15.00	Cisco	0.00	0.0	10.0	20.00	15.00	18.00	+3.00
15.00	10.00	Lotus	0.00	0.0	8.0	15.00	10.00	12.00	+2.00
10.00	5.00	Novell	0.00	0.0	6.0	10.00	5.00	8.00	+3.00
5.00	3.00	Perseus	0.00	0.0	4.0	5.00	3.00	4.00	+2.00

12 Month High	12 Month Low	Stock	Div	Yld	PE	High	Low	Last	Chg
15.00	10.00	3Com	0.00	0.0	8.0	15.00	10.00	12.00	+2.00
10.00	5.00	Entrix	0.00	0.0	6.0	10.00	5.00	8.00	+3.00
5.00	3.00	GenCorp	0.00	0.0	4.0	5.00	3.00	4.00	+2.00
3.00	2.00	Grain Processing	0.00	0.0	3.0	3.00	2.00	2.50	+1.00
2.00	1.50	Health Care	0.00	0.0	2.5	2.00	1.50	1.80	+0.30

12 Month High	12 Month Low	Stock	Div	Yld	PE	High	Low	Last	Chg
1.50	1.00	Investment	0.00	0.0	2.0	1.50	1.00	1.20	+0.20
1.00	0.50	Technology	0.00	0.0	1.5	1.00	0.50	0.80	+0.30
0.50	0.30	Energy	0.00	0.0	1.2	0.50	0.30	0.40	+0.10
0.30	0.20	Telecom	0.00	0.0	1.0	0.30	0.20	0.25	+0.05
0.20	0.15	Biotech	0.00	0.0	0.8	0.20	0.15	0.18	+0.03

12 Month High	12 Month Low	Stock	Div	Yld	PE	High	Low	Last	Chg
0.15	0.10	Pharmaceutical	0.00	0.0	0.6	0.15	0.10	0.12	+0.02
0.10	0.05	Automotive	0.00	0.0	0.4	0.10	0.05	0.08	+0.03
0.05	0.03	Food	0.00	0.0	0.3	0.05	0.03	0.04	+0.01
0.03	0.02	Retail	0.00	0.0	0.2	0.03	0.02	0.025	+0.005
0.02	0.01	Media	0.00	0.0	0.1	0.02	0.01	0.015	+0.005

12 Month High	12 Month Low	Stock	Div	Yld	PE	High	Low	Last	Chg
0.01	0.005	Insurance	0.00	0.0	0.05	0.01	0.005	0.007	+0.002
0.005	0.002	Utilities	0.00	0.0	0.02	0.005	0.002	0.003	+0.001
0.002	0.001	Real Estate	0.00	0.0	0.01	0.002	0.001	0.0015	+0.0005
0.001	0.0005	Commodities	0.00	0.0	0.005	0.001	0.0005	0.0007	+0.0002
0.0005	0.0002	Other	0.00	0.0	0.002	0.0005	0.0002	0.0003	+0.0001

STRONGER. TOGETHER.

On September 1, 1993, Royal Bank of Canada successfully completed its acquisition agreement with the Royal Trust group of companies.

Clients of both organizations will continue to be provided with the service they have come to expect. The difference is, Royal Trust is now backed by the capital strength of Royal Bank of Canada.

Royal Bank of Canada is Canada's largest bank and was founded in 1869. Together, with operations in 37 countries, the combined organization offers exceptional breadth and depth of services to corporate and private clients around the world, and now has over \$Cdn 240 billion in client assets under administration.



ROYAL BANK OF CANADA

Heiwa Places Its Bet on Gamblers

Customers of Its Pachinko Machines Keep Spending

Bloomberg Business News
SAITAMA, Japan — The gaming-machine maker Heiwa Corp. owes much of its current prosperity to the likes of Toshiyuki Suzuki. On any given Sunday, you can find Mr. Suzuki in a smoke-filled pachinko parlor in Kuribashi, a suburb of Tokyo. He is one of the legion of Japanese wage-earners who frequent the country's approximately 20,000 pachinko parlors, which in effect are gambling centers featuring flashy coin-operated games.

"I lost 5,000 yen (\$48) last week," he said amid the roar of hundreds of clanking silver balls rolling through the pachinko machines. "I'm now trying to get the money back."

The dream that a big payout is just one coin away is the reason these pachinko parlors are packed nowadays despite the worst economic downturn in Japan in this half-century.

It also explains why shares of Heiwa, which controls nearly 30 percent of the market for pachinko machines, have jumped 38 percent so far this year, compared with a 28 percent rise for the Topix, the broad measure of Tokyo Stock Exchange issues.

In mid-August, Heiwa reported that its current profit had risen 12.9 percent to 17.85 billion yen on revenue of 49.4 billion yen for the first six months of 1993. For the full year,

it expects current profit of 36.5 billion yen. With numbers like that, investors are willing to overlook the pachinko parlors' reputation to the Japanese crime syndicate — a reputation that the Tokyo Metropolitan Police, as well as Heiwa, say is undesired.

Besides, unlike many Japanese companies, Heiwa is giving some of its earnings back to shareholders. The company has doubled its dividend in the last three years.

In any case, it's not hard to understand why pachinko is so popular in Japan. Professional players have been known to walk away with \$2,000 for a day's work. For most folks, however, the pachinko parlor is a place where they part with their cash.

In the game, players propel a series of metal balls up an electronic board filled with metal studs and little chutes that send the balls into black bins outside the machine.

The aim is to capture as many as possible of the balls, which can be traded in for yen or gifts such as compact disks and X-rated videos. To sidestep Japan's paper-thin gambling restrictions, pachinko players cash in their winnings in a discreetly placed storefront just off the premises.

Last year, the industry generated sales of 16.98 trillion yen, up 8 percent from 15.75 trillion yen a year before.

That is considerably more than the 9.6 trillion yen pulled in by the horse-racing industry and roughly 35 percent of all the money earned by Japan's leisure industry, according to Pachinko Fan, a monthly magazine.

Heiwa has managed to stay Japan's No. 1 pachinko manufacturer by upgrading its machines to keep up with changing times.

Now the company is teaming up with Sega Enterprises Ltd., a maker of video games and home electronic toys, to develop new-generation pachinko machines.

Heiwa is also looking beyond Japan for growth. It currently is seeking to export its machines to Taiwan.

Because pachinko, like other forms of gambling, tends to be habit-forming, the company is expecting brisk growth through the end of the century.

Thanks to packed parlors, Heiwa's stock has jumped 38 percent so far this year.

Philippine Airlines Seeks Alliance With A Foreign Carrier

Agence France-Press
MANILA — Philippine Airlines is seeking an alliance with a larger foreign partner as part of its strategy to deal with troubles in the industry, a senior official said.

Romeo David, the airline's executive vice president, also said PAL was reorganizing its unprofitable operations in Europe and may cut its service down to only two cities, Frankfurt and Rome or Paris.

Its executive vice president, Romeo David, told a business forum Tuesday that the flag carrier was holding talks with All Nippon Airways, Korean Airlines and American Airlines.

The alliance could take the form of complementing one another's routes or of foreign equity ownership. A majority of PAL was sold to private investors last year, but it is still 46 percent state-owned.

PAL's net income fell 8 percent in its 1992 financial year, to 1.025 billion pesos (\$36.5 million).

The airline earlier said it was deferring acquisition of six Airbus

Investor's Asia			
Exchange	Index	Wednesday Prev. Close	% Change
Hong Kong	Hang Seng	7,542.18	-0.10
Singapore	Straits Times	2,042.78	+0.21
Tokyo	Nikkei 225	20,853.30	-0.35
Kuala Lumpur	Composite	881.00	+1.85
Bangkok	SET	878.91	+1.63
Saigon	Composite Stock	874.88	+1.50
Taipei	Weighted Price	3,888.09	-0.85
Manila	Composite	1,827.20	+2.60
Manila	Stock Index	N.A.	408.67
Manila	NZSE 40	1,894.04	+0.06
Manila	National Index	1,234.80	-0.79

- Very briefly:**
- Shanghai is imposing ceilings on prices for meat and vegetables to combat shortages caused by excessive heat, rain and flooding. Inflation reached an annual rate of 23.4 percent in Shanghai in July.
 - Hoffman-La Roche is discussing plans for a \$30 million joint venture with Shanghai Sanwei Pharmaceutical Factory to make anti-cancer and cardiovascular products, the China Daily said.
 - Korean Air said it planned cutbacks, including canceling orders for 15 aircraft from Boeing Co. and Airbus Industrie, to reduce losses.
 - Vietnam authorized individuals to open savings accounts with optional or foreign banks after the collapse of a network of private credit cooperatives in Ho Chi Minh City.
 - Malaysia's annual inflation rate fell to 3.9 percent in the first seven months of 1993, from 4.5 percent in the year-earlier period.
 - South Korea had a trade deficit of \$46 million for August, compared with a surplus of \$102 million a year earlier.
 - Japan's new vehicle sales fell 8.7 percent in August from a year earlier.
 - YTL Corp., a Malaysian construction and property concern, said Siemens AG would replace Britain's National Power PLC to help it maintain and operate Malaysia's first private power facility.

Taiwan Firm Aims for the Top via China

Reuters
TAIPEI — A rapidly growing Taiwan food maker says it aims to become the world's largest processed-food conglomerate, using the Chinese market as a base.

"Our goal is to become the world's No. 1 food manufacturer in 25 years through expanding operations on the Chinese mainland," said Kao Chun-wei, chief executive of the President Enterprises Group.

"The Taiwan market is growing slowly, but the mainland has great potential," Mr. Kao said, predicting that the group's revenue in Chi-

na would exceed those in Taiwan within 10 years.

But analysts point out that the speed of President's expansion will be determined partly by the pace at which the Taiwan government, which lost the Chinese civil war to the Communists in 1949, continues its rapprochement with Beijing.

President has grown from a small flour and animal-feed company into Taiwan's biggest food concern over the past 26 years, becoming a blue-chip stock held by many foreign institutional investors in the island's stock market.

Its expansion has included buying San Francisco-based Famous Amos Chocolate Chip Cookie Corp. in 1992 for \$60.6 million, and another American cookie maker, Wyndham Foods Inc., in 1990 for \$335 million.

The group holds long-term equity investments of about \$411 million in around 50 companies. In addition to food, its interests in Taiwan include silicon chips, computers, construction and convenience stores.

But like many other companies in Taiwan, President sees its prospects for long-term expansion lying

Manila Wants IMF Deal

Compiled by Our Staff From Duplexes
MANILA — The Philippines underlined Wednesday its intention to negotiate an economic program with the International Monetary Fund, saying failure to secure one would jeopardize growth targets and bring high inflation.

Manila began talks with an IMF mission this year after its last 18-month standby agreement with the fund expired in March, but was unable to reach an accord. The two sides are expected to resume negotiations later this month.

The government initiated talks with IMF this year for what it hopes would be its last program with the fund. Talks broke down in April because of wide differences over revenue targets.

Economic Planning Secretary Celso Habito told the senate committee on economic affairs there was a "time lag" before domestic savings could rise from increased revenues necessary to finance investments in President Fidel Ramos' development plan.

Japan and EC Spar on Cars

AFP-Exel News
TOKYO — Business is "perhaps" as bad for Japanese carmakers as it is for carmakers in the European Community, a Ministry of International Trade and Industry official said before Wednesday's resumption of talks between the Community and Japan on a reduction in imports of Japanese cars.

He said the negotiations, scheduled to last two days, "will not be easy." In July, Japan accepted the principle of a further cut in exports to the Community.

The EC Commission expects EC car demand to fall 15 to 16 percent this year.

MINTEL: U.S. Fails to Respond JAPAN: Deregulation, Their Way

Continued from Page 9
 backed by American Telephone & Telegraph Co.

Other changes, she added, may include pursuing niche markets as well as dropping time-based billing and instead charge consumers a flat monthly fee.

These minor adjustments are unlikely to resolve the real obstacle: an unclear regulatory environment.

The Baby Bells, US West and the other regional companies spun off from American Telephone & Telegraph Co., were only recently granted 15-year licenses to provide information services in their operating regions. Meanwhile, competitors such as CompuServe, Prodigy and America Online have years of experience.

Without an end to regulatory restraints, Mr. Poitrot of New Industry Research said, US West cannot

commit itself to the Mintel system. Whatever the technology, analysts said, the network's success depends upon the quality and quantity of value-added services co-developed by France Telecom and US West. One such service, Bill & Pay, a pay-by-computer package, was introduced in North America last winter and is to run on France Telecom's Mintel network this summer.

Although electronic directories and telebanking services are innovative, said Bob Smith, executive director of Interactive Services Association in Silver Springs, Maryland, a trade group, the partnership needs more money to develop a "broader range" of services.

As announced in early June, US West will purchase 25.5 percent of Time Warner Inc.'s Time Warner Entertainment unit for \$2.5 billion.

JOBS: NAACP Presses Corporations to Hire Minorities

Continued from Page 9
 tough tactics, Father Chavis responded: "We are not trying to stage a media stunt here. We are taking something that is potentially polarizing and negative for these companies and using it to build bridges."

Behind the association's emphasis on economic empowerment are concerns in the black community that despite decades of civil-rights gains and increasing black political power, blacks remain outside the economic mainstream and under-represented in the work forces and managements of large corporations.

Another requirement of the federal diversity policies through 12 years under Republican presidents. Officials now working under President Bill Clinton said they were reviewing the policies of the Labor Department's Office of Federal Contract Compliance, which is responsible for enforcing affirmative-action guidelines for government contractors. They added that they believed changes were in order.

Over all, the NAACP said it was seeking to negotiate so-called fair-share agreements, in which companies promise to hire more members of minorities as employees and contractors and to foster management

and ownership among minorities within these companies.

Last month, the association announced the largest such fair-share accord of its kind with Flagstar Cos., the parent of Denny's. The pact provides for an increase in black employees at Denny's, black ownership and management of restaurants, and the use of black subcontractors. The benefits of the agreement for black Americans have been put at \$1 billion.

Jerry J. Richardson, Flagstar's chief executive, said the NAACP did not put pressure on him to sign the fair-share agreement and that ultimately the pact made good business sense because it would result in new customers and ideas.

The fair-share agreement also was a marketing coup for Flagstar. The move was intended to salvage the company's already-fragile image after being hit by a flood of lawsuits, charging that several Denny's restaurants had refused to serve black customers, required them to pay a cover charge or insisted that they pay for their meals in advance.

"Signing a billion-dollar agreement with Flagstar sent reverberations throughout the business community," Father Chavis said.

AMEX			
Wednesday's Closing			
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press			
12 Month High	12 Month Low	Div	Yld PE
AA	1.14	0.00	15.0
ABB	1.14	0.00	15.0
ABC	1.14	0.00	15.0
ABD	1.14	0.00	15.0
ABE	1.14	0.00	15.0
ABF	1.14	0.00	15.0
ABG	1.14	0.00	15.0
ABH	1.14	0.00	15.0
ABI	1.14	0.00	15.0
ABJ	1.14	0.00	15.0
ABK	1.14	0.00	15.0
ABL	1.14	0.00	15.0
ABM	1.14	0.00	15.0
ABN	1.14	0.00	15.0
ABO	1.14	0.00	15.0
ABP	1.14	0.00	15.0
ABQ	1.14	0.00	15.0
ABR	1.14	0.00	15.0
ABS	1.14	0.00	15.0
ABT	1.14	0.00	15.0
ABU	1.14	0.00	15.0
ABV	1.14	0.00	15.0
ABW	1.14	0.00	15.0
ABX	1.14	0.00	15.0
ABY	1.14	0.00	15.0
ABZ	1.14	0.00	15.0

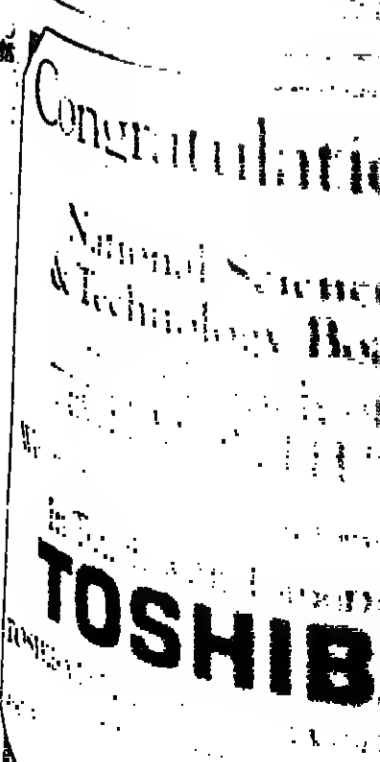
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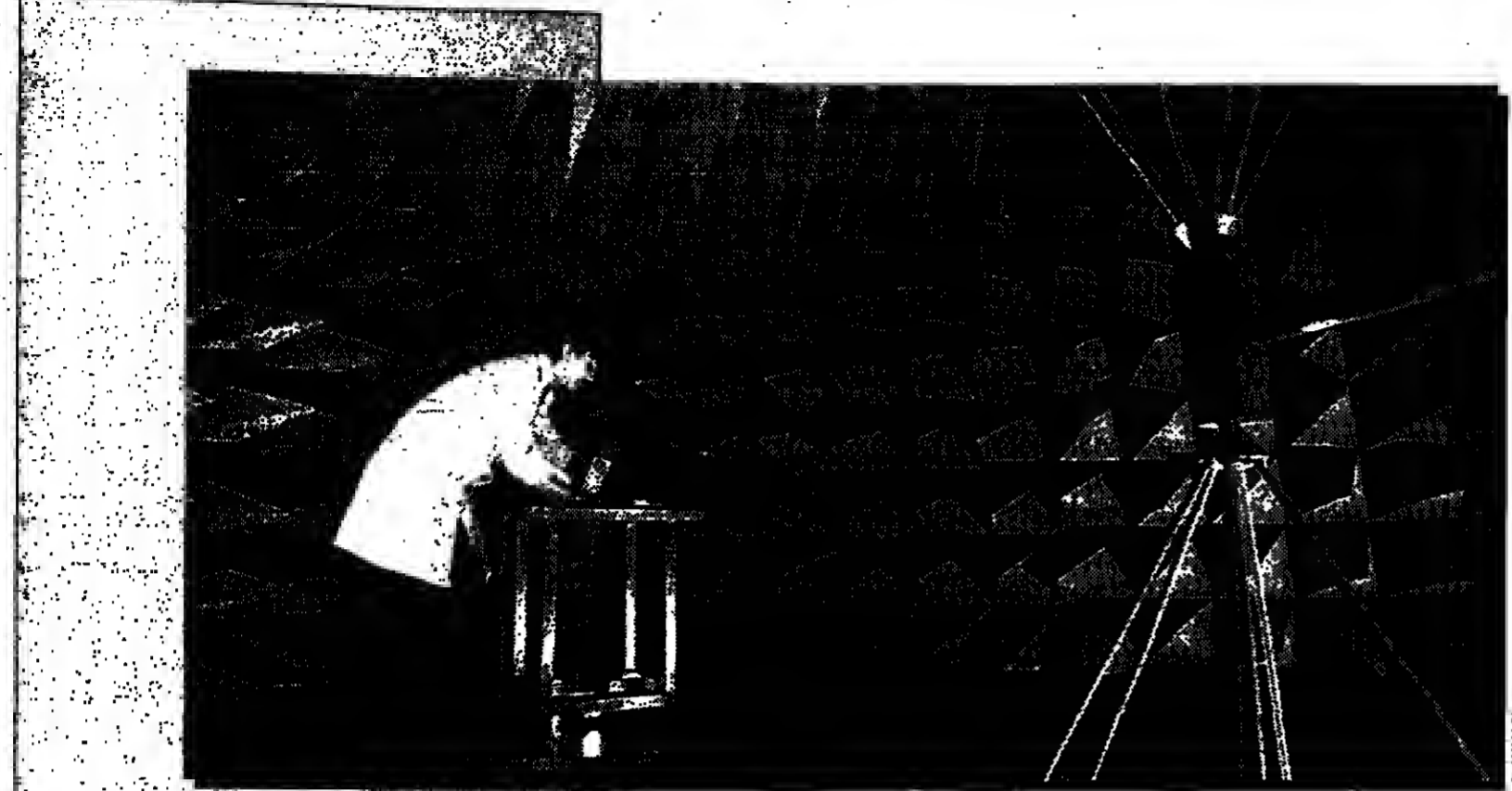
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ABX	1.14	0.00	15.0
ABY	1.14	0.00	15.0
ABZ	1.14	0.00	15.0

150 من الامن



SCIENCE TECHNOLOGY in Singapore



Research Points the Way To a Prosperous Future

Singapore's government believes the future belongs, not to countries rich in natural resources, but to countries that make the best use of brainpower - collecting information and translating data into products and services.

The island republic's industrial policy reflects this basic premise. It concentrates on creating new jobs in expanding industries rather than protecting jobs in declining industries. And it stresses the importance of primary research and development as the key to creating and maintaining a competitive edge.

Singapore, a relative newcomer to R&D, has historically been a trading nation with no real need for innovation. In 1978, R&D expenditure was just 0.2 percent of gross domestic product. By 1991 this had increased to 1.1 percent.

The country still has a ways to go before catching up with developed countries like Switzerland (2.9 percent of GDP in 1990), the United States (2.8 percent) and fellow Asian nations like Japan (2.9 percent), South Korea (1.8 percent) and Taiwan (1.4 percent). But, as with other areas identified by the government as requiring attention, Singapore is making a concerted effort to rectify this shortfall.

Close Links Kept With Industries

One of the cornerstones of this effort is the National Technology Plan, which charges the National Science and Technology Board (NSTB) with coordinating R&D efforts through the allocation of grants, scholarships and other support.

So far, 2 billion Singapore dollars (\$1.24 billion) has been allocated to spur R&D efforts in niche areas of manufacturing technology, biotechnology and microelectronics. This is only for practical products

as required by industry, agreed on between private companies and research institutes. Of the total sum, 675 million dollars was allocated to private sector R&D incentives, 200 million dollars to local manpower training and a further 200 million dollars to international recruitment.

So much has been allocated to manpower because the National Technology Plan calls for an increase in the number of research scientists and engineers. In 1991, the number of R&D personnel stood at 34 per 10,000 workers (up from 29 in 1990). The plan calls for a target of 40 per 10,000 workers, a target that will be attained by converting people who now work in other industries, attracting new graduates or importing foreign experts.

Institutes That Sustain R&D

Singapore's ambitious National Technology Plan charts the nation's R&D directions in nine technology areas that have been identified as of strategic importance. Research institutes have been set up in four key areas - manufacturing, information technology, electronics and molecular and cell biology. They offer industry-oriented design, development, solutions and guidance.

Since installation, Philips reports that scheduling time has been reduced from 24 hours to four hours. Based on this success, the two parties are now working on a second project - the Capacity Planning and Data-Based Retrieval System - which will help Philips' factory decision makers be more flexible with output by making them better informed on critical plant capacity and resources.

Funding has been made available and tertiary education research units and statutory boards have been reorganized to offer industry-oriented design, development, solutions and guidance. The National Science and Technology Board currently funds the following institutes and research centers: the Institute of Molecular and Cell Biology, the Institute of Microelectronics, the GINTIC Institute of Manufacturing Technology, the Institute of Systems Science, the Information Technology Institute, the Center for Wireless Communications, the Magnetics Technology Center and the National Supercomputing Research Center.

Each of these institutes focuses on a specific area of technology and is responsible for training manpower, providing the necessary R&D infrastructure support, transferring technology to their particular industry and developing "pre-competitive" technologies - innovations the industry may not be ready to apply for a further three to eight years.

The institute also works with integrated circuit fabricators utilizing crystal technology and electron microscopy. Companies currently working with IME include Heimann Optoelectronics, Tech Semiconductor, Texas Instruments and Hewlett Packard.

For instance, the Institute of Molecular and Cell Biology's mission is to develop vibrant research in the biological and biomedical sciences to support Singapore's development of biotechnology. A total of 200 scientists work at the institute, half of them with Ph.D.s from North America or Europe.

GINTIC - which is set within the framework of Nanyang Technological University - strives to enhance the productivity and competitiveness of Singapore manufacturing industries through the effective use of innovative manufacturing technology. Since 1987, GINTIC has been involved in 180 projects with 70 firms, local companies like Singapore Aerospace, Singapore Press Holdings and Singapore Computer Systems, as well as multinationals like IBM, Matsushita Re-



Technology at its best (from the top): An AT&T acoustic testing chamber for cordless telephones; test bench for portable Compaq computers; orchid research at the Institute of Molecular and Cell Biology; the manufacturer of medical instruments at the Baxter plant in Woodlands.

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This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. It was written by Joseph R. Yogerst and Julia Clerk, free-lance writers based in Singapore.

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Policy to Keep Singapore on the 'Cutting Edge'

The chairman of the National Science and Technology Board, Teo Ming Kian, was interviewed by Joseph R. Yogerst.

Many Southeast Asian nations are now competing for high-tech investment dollars. What does Singapore have to offer over the regional competition?

Indeed competition has become intense. Competition for investment dollars comes not only from Southeast Asian nations.

It comes from the world over. Our perspective therefore has to be a global one.

There is much that Singapore has to offer to new investors - stable political and social environment, an easy place to live in for expatriates, convenient and reliable communications and financial facilities, open and rational business processes, use of English as a common language.

Besides the various capital grants and tax incentives, investors are also attracted by our well-educated and productive workforce, our desire to help investors maximize their returns (so that the work-force can be paid the highest possible wages), whether through infrastructure development, training of people or risk sharing.

You may already know that Singapore has been rated as the most competitive newly industrialized economy in the World

Competitiveness Report for the 5th year running. It rated Singapore tops in almost all categories, including science and technology. Similarly, Singapore is one of the top three countries in terms of net income for multinational corporations in the Asia-Pacific region.

Is Singapore just a high-tech manufacturing center, or will the nation become a major hub of science and technology innovation at some point in the future?

Without a doubt, the manufacturing sector has been and will remain critical to our economy. As the manufacturing sector accounts for 27 percent of our GDP, ensuring that Singapore maintains an ever more productive high-tech manufacturing center is crucial.

Such a manufacturing center will be the driving force for Singapore to become a major hub of science and technology innovation. The companies in Singapore and the government ensure we stay competitive. Science and technology must be exploited not only for new products, but new processes for products which meet market needs.

We are moving toward more knowledge-based activities with greater innovative content. This is not

just to benefit manufacturing - the technologies and innovations will be extended to financial, retail and other sectors.

Focus on R&D is essential for high value addition. It was for this reason that NSTB was established in 1991. Our mission is to develop Singapore into a center of excellence in science and technology to enhance the competitiveness of locally based companies. We do this by building up knowledge infrastructure, such as research institutes and centers, increasing our pool of qualified people through our universities and foreign recruitment, encouraging people to upgrade themselves by providing incen-

tives for postgraduate studies, attachments to local or foreign companies or universities, and risk sharing with companies to undertake R&D projects.

How do local research institutes help to keep private industry at the "cutting edge" of technology in terms of both innovation and competitiveness?

Our research institutes have two main objectives. Firstly, to develop state-of-the-art technologies which are economically relevant, either for immediate com-

mercialization or for positioning our industries to jump into economic production when opportune. Secondly, to increase the much needed pool of R&D professionals. We currently have nine research institutes and centers. And all of them have joint projects with locally based companies.

They provide the knowledge infrastructure for our industry to tap into. They bring to the table knowledge that is already available, and if not, the enthusiasm and keenness to pursue and uncover the requisite knowledge and know-how.

The intention of such cooperation is not necessarily to keep the industry at the

cutting edge" of technology, but more importantly at the "cutting edge" of the market, either with niche products or with innovations using existing technologies that will enhance the industry's market competitiveness.

What are the major obstacles that Singapore companies face in trying to market high-tech products on a global scale against larger competition from Japan, America and Europe?

Locally based compa-

nies, including multi-national corporations, have always been targeting their production at the international markets. There is really not much of a major obstacle for them. Local companies may face problems in marketing their high-tech products if they compete head-on with established competitors. This is where R&D and innovation will help.

Niche and customized products could be developed for specific markets which we understand. I am talking about markets not just in the Asia Pacific - which through our make-up we can better appreciate - but also U.S. and European markets. The more renowned examples are Creative Technology and Aztech Systems, which command a substantial world market in multimedia sound cards.

Is the private sector "pulling its weight" in terms of research and development, or should they be contributing a bigger percentage of their profits to high-tech R&D?

R&D expenditure can never be the sole responsibility of the government. The government can share the risk of an R&D undertaking, but the private sector must be committed and have ownership of the undertaking. That can come about only if they have a stake in the R&D. This will ensure that government expenditure on R&D is economically relevant.

NICHE PRODUCTS AIMED AT SPECIFIC MARKETS



Teo Ming Kian, chairman of the National Science and Technology Board: "Our mission is to develop Singapore as a center of excellence."

The National Technology Plan, when it was drawn up in 1991, stipulated that at least half of the gross expenditure on R&D must come from the private sector.

Results from the 1990 and 1991 surveys show that private sector contribution to such expenditure grew to 54 percent in 1990 and 58 percent in 1991.

Therefore, we are encouraged by the fact that the private sector is "pulling its weight" to the extent that we had expected.

Can you give some examples of "leading edge" or "niche" technologies that Singapore companies have gained from local R&D?

In the NSTB context, we will support all economically relevant R&D, whether it is good science or basic research or applied research. That is, the R&D outcome must be applicable for economic gain through immediate commercialization or positioning for future applications. I would therefore place "leading edge" technologies in this context, which necessarily would include the "niche technologies."

I will give you an idea of what I mean. The Institute of Systems Science and Apple Computer are developing technologies for the Asianization of software in language processing. The Information Technology Institute developed the expert system for port management. The Institute of Molecular and Cell Biology, together with Glaxo, is developing screening methodologies for natural products.

Hewlett Packard's unit in Singapore developed the company's first color inkjet printer. National Semiconductors' local R&D unit developed a system of inspection to increase their productivity of inspecting integrated circuits by 99 percent.

Local companies Eutech Cybernetics and PCI are developing niche products in process and control engineering and wireless

communications respectively. Both have achieved successes and are strengthening their capabilities through R&D to penetrate international markets.

Does Singapore have enough science and technology institutes - and science graduates - to keep pace with your ambitious plans for the future?

It will never be enough. And this is a good sign that the dynamism and demands of the economy cry out for more support. We will be in serious trouble if someone comes and tells us that we have enough science and technology institutes and science and engineering graduates and asks us to stop.

We now have five research institutes and four research centers. They supplement research work conducted in our two universities. NSTB will develop more new centers where the need arises and at the opportune time. Our two universities produce about 2,800 science and engineering graduates a year. We have also targeted to increase the number of research scientists and engineers from 29 per 10,000 in 1990 to 40 per 10,000 by 1995.

Not only will we help companies recruit foreign professionals, we have also implemented a wide spectrum of manpower upgrading incentives, including post-graduate studies, attachment to local and foreign universities and to companies.

In the same vein, is Singapore developing its high-tech infrastructure fast enough to keep pace with increasing demand?

I would like to believe we are. But we will continue to maintain our momentum and try to anticipate demands and needs.

The physical development of specialized premises for R&D is on target.

The demand for R&D space is expected to increase at 45,000 square meters annually over the next 10 years. The charac-

ter of these demands may also differ from the past. We are expecting a greater diversity in terms of size, from R&D centers of large corporations to the "incubators" of start-up companies, and technologies ranging from computer design to biotechnology and pharmaceuticals.

The first of the Science Park's four phases is near completion. The second phase has commenced development and will comprise intelligent R&D buildings, innovation centers and research units to match the level of sophistication of the various companies likely to relocate their R&D activities to Singapore.

Singapore has transformed itself into a high-tech nation in less than three decades. How has your society been able to adjust to so many changes in such a short time span?

Singaporeans have grown adept to having to make changes. It is necessary that we constantly seek ways to improve and stay ahead.

A major investment over the years has been in our people, in emphasizing the importance of developing skills - in particular, technical skills - that have enabled them to be equipped to handle the waves of technological and economic changes that have affected our businesses.

This is coupled with a pragmatic approach by the government in steering our businesses to achieve economic success.

A big advantage is that we are small. This has allowed "real time" feedback mechanisms and quick responses through the constant interaction between businesses and government policy makers.

The spin-offs from success in our economic development have led to a good quality of life. This has made it that much easier for us to enjoy, rather than to cope, with the changes which have affected our society.



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- The Centre for Information Technology (CINTECH) buildings at Science Park I: Ready-built facilities with special features for IT development
- Multi-tenanted research units: Buildings offering ready-built space which can be fitted out to suit different needs
- Land parcels for customised buildings

Leading companies like AT&T, Du Pont, Exxon Chemicals, Fujitsu, Sony and Reuters have set up at the Singapore Science Park. In addition to excellent facilities and service support, they enjoy the Singapore Science Park's strategic location within the Technology Corridor of Singapore. This places them in close touch with premier R&D centres, hi-tech companies and support industries. Good transportation links, landscaped greenery and full amenities add to an ideal R&D environment.

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سكاي سنالوجي

Research Points the Way To Prosperity

Continued from Page 15

sees the Singapore Science Park, a center for R&D companies, does not think the local pool of engineers is too small. Rather she feels there is "a lack of engineers working in research and development." She adds that historically, Singapore has been a manufacturing base for multinational corporations and they made an attractive environment for engineers. "We just have to convince the engineers now to shift their focus to R&D," Ms. Chong says.

Another goal of the Technology Plan is to increase R&D expenditure to 2 percent of GDP by 1995, with the private sector taking up much of the slack. In 1990, just over half of Singapore's R&D expenditure was carried out by 266 companies in the private sector. NSTB feels there are another 3,000 companies which should be engaged in innovative activities.

For companies that don't have R&D personnel or facilities, NSTB encourages cooperation with public research institutes and will give financial support. NSTB grants take the form of up-front payments, which help take the risk out of innovation.

If research and development is still in its adolescence, why would companies choose Singapore as an R&D centre?

One primary reason is infrastructure. Singapore is often called the "Intelligent Island," partly because of its high level of computer literacy. A total of 84 percent of firms with more than 10 employees use computers. A peak of 95 percent usage is expected by the end of the decade.

These computers talk to each other. About 40 percent of firms have computers linked to suppliers, business partners and government departments. By 2007, virtually every home, school and business will be interconnected.

SPACE IS OFFERED FOR STARTUP COMPANIES

as part of the government's IT2000 plan, giving quick and easy access to information and services.

The 1992 World Competitiveness Report states that Singapore's power supply infrastructure is the best of all developing countries in meeting business needs. The island's sea and airports are consistently ranked best in the Asia-Pacific region and the postal service is believed to be the world's first fully computerized nationwide system.

Singapore Telecom offers a highly advanced telephone service, which is set to improve still further through a recently announced 3.5-billion dollar investment in the next five years. Telecom says this investment will enhance national and international networks, ensuring that Singapore remains an attractive location for foreign business investment. Broadband integrated services digital network and optical fiber links to all homes and places of business are among the services that will be introduced.

Meanwhile, the Singapore worker is rated the best you can find anywhere, according to Washington-based Business Environment Risk Intelligence, which has given Singapore top marks for the 12th year running. The Singapore worker came out tops in several categories, including relative productivity, legal framework, worker attitude and technical skills.

Physical location is another important consideration, and here Singapore scores high marks again. Technology Parks was established in 1990 as one of the largest private industrial developers and managers in Singapore. Today the organization looks after the interests of more than 100 Science Park tenants - multinational and local companies as well as government institutions involved in biotechnology, microelectronics, materials technology, precision engineering and telecommunications.

The Science Park is being developed in four phases and will eventually total 110 hectares. Groundbreaking for Phase II is scheduled to take place before the end of this year. A key feature of Phase II will be an Innovation Center and a Business Center.

The Innovation Centre will contain spaces of 50 to 150 square meters for small, start-up companies. It will offer linkages to research institutes, access to relevant government departments and research information in Singapore and abroad through an electronic network. The adjacent Business Center will house consultants offering technology management.

Ms. Chong believes that "by locating these companies together, they will be encouraged to interact and can have access to pool business resources, thereby reducing over-



Making hard disk drives at Conner Peripherals demands a special environment.

heads, and allowing themselves a jump-start in their businesses."

One of the first buildings to be completed in Science Park II (early 1995) will be an amenities center, housing social and community clubs, meeting rooms and a small theater. And the landscaping is to be carefully planned to aid communications and relaxation - with green areas and water features.

The Singapore government is not the only active innovator. Sony has had a R&D laboratory in Singapore since 1987, its first Asian plant outside Japan. The laboratory, which specializes in the development of software, supports Sony operations in South Asia, and also shares its findings with head office and labs in Europe and the United States.

Sony believes that Singapore is one of the most attractive locations for offshore R&D facilities because of the standard of engineering resources - all engineers at the lab are Singaporean, other than the manager, who is Japanese. Sony says it also appreciates the high level of computer literacy. And being able to be situated at the Science Park allows Sony to interact with other scientists and have access to nearby research institutes like the National University of Singapore and the Singapore Institute of Standards and Industrial Research.

Machine tool manufacturer Yamazaki Mazak, recently voted the global industry leader by American trade journal Machinist, has allocated 180 million yen per year for R&D work in Singapore. The lab carries out research in areas including customized engineering and artificial intelligence.

Company chairman Teruyuki Yamazaki says Singapore was chosen because of its "well-known reputation as

a high technology pursuing nation." Inexpensive labor was not a factor in site selection. Rather, Mr. Yamazaki says, "we must have talented people to utilize the sophisticated equipment." Singapore could provide the goods in terms of both exceptional engineers and excellent infrastructure.

Toshiba, leading manufacturer and supplier of semi-conductors and electron tubes in the Asian market, has its regional headquarters in Singapore and is now setting up a Design Center there to provide engineering support to its customers. This is Toshiba's fourth Design Center in Asia, following Hong Kong, Taiwan and Korea.

Many people in the industry feel that Singapore could still improve.

Mr. Woog of PCI says that the major obstacle his company faces in trying to compete globally in the high-tech market is that "Singapore is a little behind in exposure to innovative market demand in microelectronics." He feels that PCI's marketing department is going to have to beef up efforts to keep abreast of the latest developments of the company's R&D thrust. Mr. Woog would like to see PCI make the transition from a company that manufactures to customer specifications to being an original design manufacturer.

Ms. Chong of Technologies Park concedes that Singapore is now facing competition from immediate neighbors in attracting high-tech investment.

"Malaysia, Indonesia and Thailand are trying to shorten their learning curve," she says. "They want to leap straight into high-technology industries."

However, Singapore is still ahead of these other countries due mainly to the foresightedness of the government in putting the appropriate infrastructure in place.

Institutes That Sustain R&D Funding

Continued from Page 15

ologies, virtual reality, parallel computers, multimedia processing, neural networks, fuzzy logic and broadband networks.

Among the institute's prototypes for new applications are computer-aided translation of technical manuals from English to Chinese for IBM; a cargo container identification verification system for the Port of Singapore; and a hip replacement visualization system for the NUS Hospital.

Together with Singapore Press Holdings, the island's newspaper publishing monopoly, the Information Technology Institute developed ALEXIS - Auto-Layout with Interactive Support, a program that automates the layout

of some advertising sections in the Straits Times.

Another successful collaboration was the development of the Ship Planning System with the Port of Singapore Authority. With this system, the lead time for shippers to bring in their containers has been halved from eight to four hours.

To create and deploy advanced and useful innovations, the ITI was created to bring together R&D talent and infrastructure. It specializes in software engineering, knowledge systems, office communications, image processing, multimedia applications and data visualization.

Strategic, application-specific R&D in wireless communications is the forte at the Center for

Wireless Communications.

This institute focuses on research into modulation and transmission, wireless networking and cellular technology. Current projects include the development with Singapore Telecom of performance measurement of digital cellular mobile radio systems.

The Magnetec Technology Center, which is also situated at the National University of Singapore, provides focus on technologies related to the disk drive industry and offers support on data storage systems, consumer electronics and miniature power supplies. Among the industry leaders that are at present working with MTC are Wearmax, Microplis, Hewlett Packard, Seagate, and SAE.

Advanced computational technology to enhance Singapore's industrial and commercial competitiveness is promoted by the National Supercomputing Research Centre. The center collaborates with industry on projects involving high performance computing and will help companies overcome barriers in integrating high performance computing into their operations.

At present, the center is working with NEC to enhance the competitive advantage of Singapore's financial sector through the development of financial neural network models on NEC supercomputers.

Prototypes are under development for stock price prediction, stock selection, portfolio management and exchange rate analysis.

Bright New Ideas Need Incubators

Twenty years ago, the Singapore Institute for Standards and Industrial Research was formed as a statutory body to establish and disseminate industrial standards in Singapore. As a third party for certification, it mainly facilitated exports.

Today, SISIR has a second mission - providing industry with high-level research and development on a contract basis. SISIR's laboratories are equipped with 40 million Singapore dollars (\$24.8 million) worth of equipment that is manned by 200 engineers, applied scientists, technologists and researchers.

Asked to clarify SISIR's role among the various research institutes in Singapore, Mr. Steve Lai, assistant chief executive, says, "It may seem that the fields of discipline are similar, but the technical areas of specialization for each research institute are different."

"On top of that, SISIR focuses more on the development and application aspects of R&D and less on basic research. In this regard, we see ourselves as an organization helping companies in their downstream operations."

All of the technology that SISIR translates into business applications evolves from specific industry needs. The institute has three "hard" and two "soft" technology divisions. The hard technology divisions provide applied research capabilities on a contract basis, product and process development, as well as testing and evaluation.

The soft technology arm includes a Standards Division that acts as the National Standards Authority and as the agent for a number of overseas agencies to test products on their behalf. The other soft body is the Technology

BLACK BOX LAUNCHED FOR MOTOR VEHICLES

Transfer Division, which facilitates the dissemination and collection of information locally and overseas.

In 1989, SISIR launched its R&D Incubator scheme. Under this program, companies with good ideas but insufficient capital or expertise can "set up shop" at SISIR and be provided with floor space, access to necessary facilities and personnel, plus funding.

SISIR recently announced an NSTB-funded joint project with the Master Printers Association to develop a computer integrated manufacturing process to automate the production planning and shopfloor control systems of the local print industry.

Late last year, Singapore Automotive Engineering Ltd. launched the vehicle equivalent of an aircraft "black box." The black box is slightly larger than a Walkman, weighs about 300 grams and is fitted onto a vehicle's dashboard. It records time, speed, distance traveled and other data and is particularly useful for managing company fleets. SISIR's Design and Development Center assisted in the black box concept design and prototype fabrication. It also provided preproduction consultancy.

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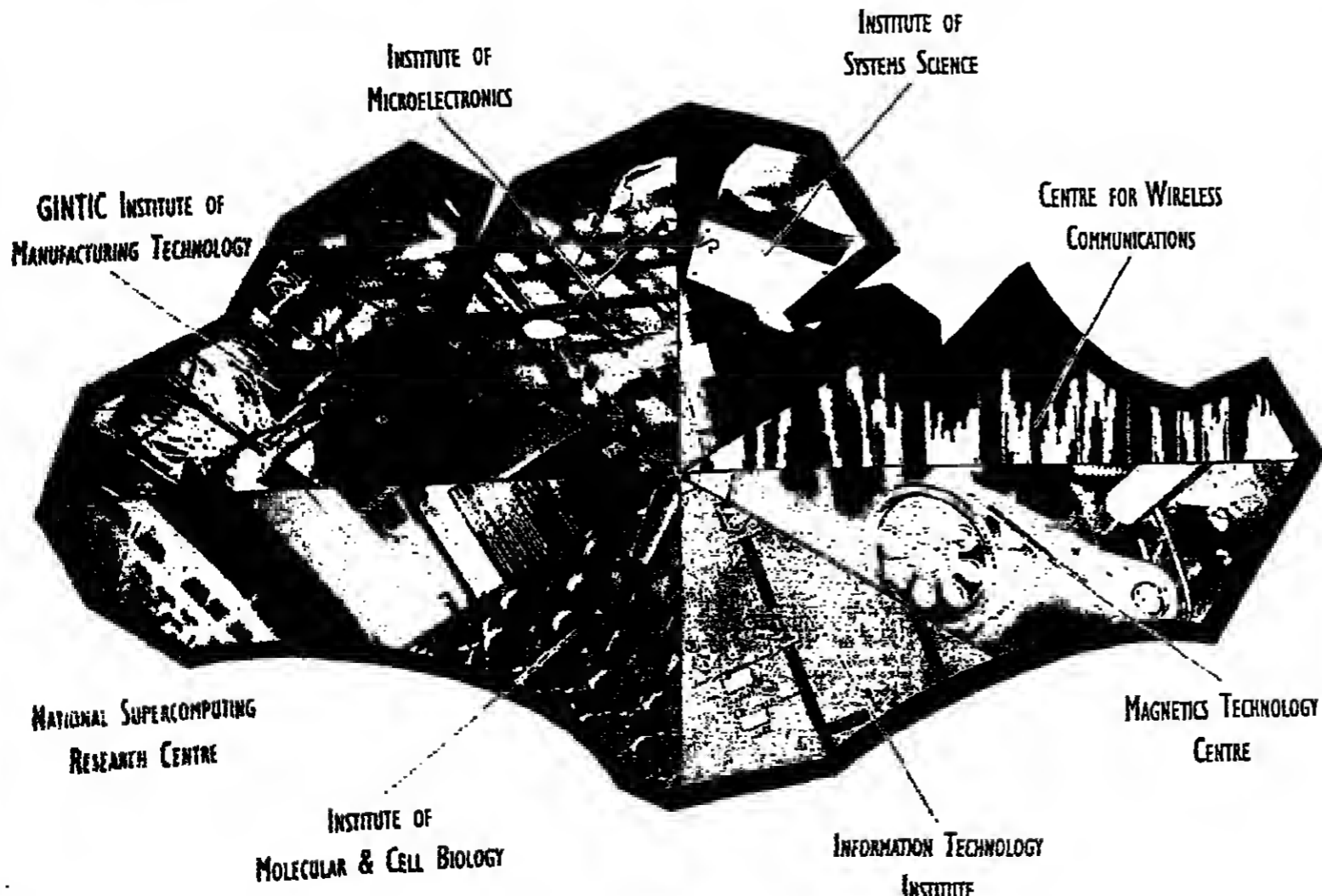
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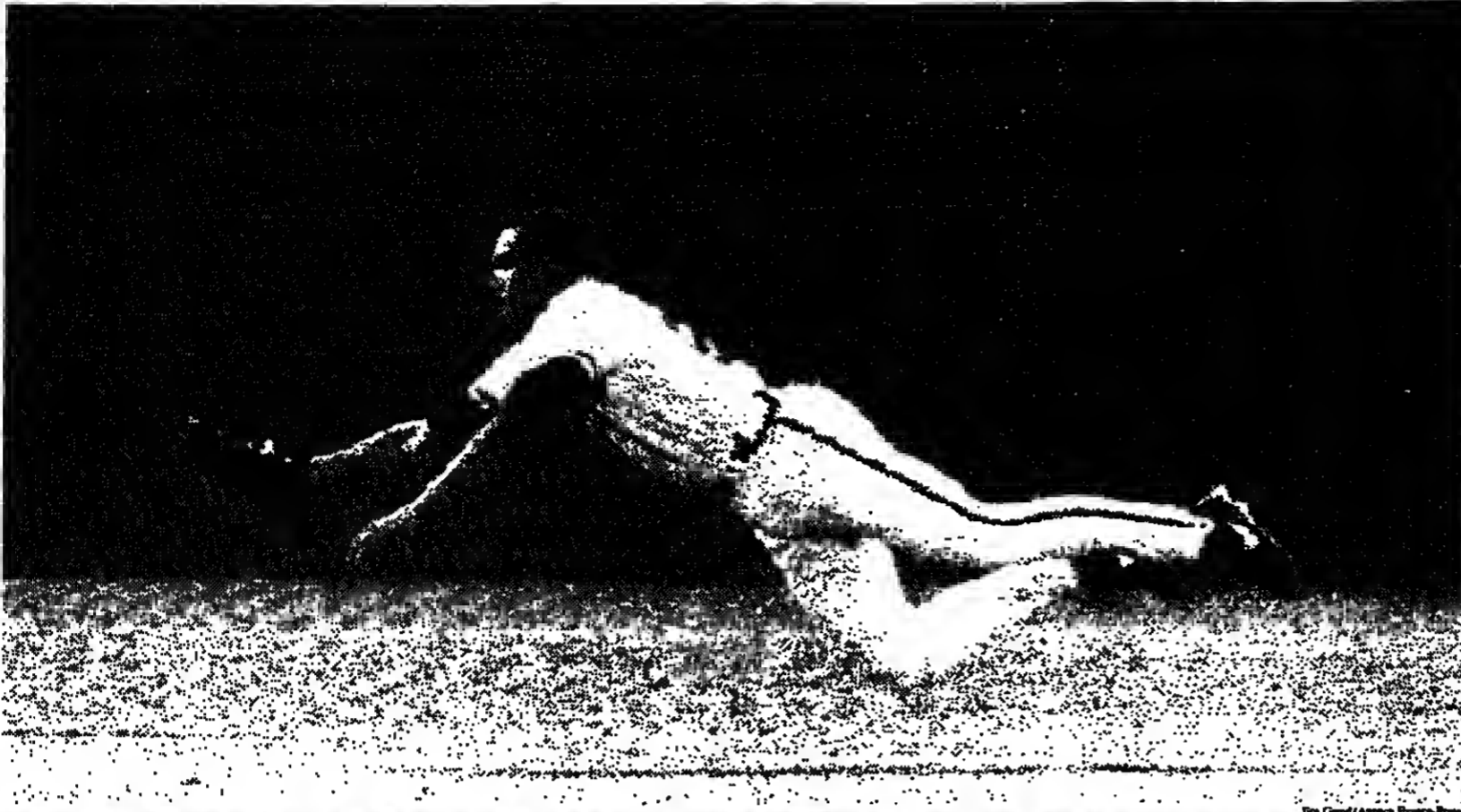
Braves Batter Sagging Giants, and Jays Bolster Lead Over Yankees

Atlanta Cuts Deficit in NL West to 3 1/2

By William Gildea
Washington Post Service

ATLANTA — The Atlanta Braves sliced what once was a 10-game San Francisco lead in the National League West to 3 1/2 on Tuesday, extending their three-game West Coast sweep to last week with an 8-2 onslaught before a chanting, chopping sellout crowd.

In a virtual duplicate of their last meeting last Wednesday, the Braves treated the right-handed 17-



Atlanta's right fielder David Justice made a run-saving catch of a drive by the Giants' Matt Williams in the third. Justice also hit his 35th home run and drove in four runs.

NL ROUNDUP

game winner Bill Swift like a batting-practice pitcher. Swift gave up five earned runs in 4 1/2 innings Tuesday night after allowing six runs in 4 1/2 last week. On such marginal progress pennants are lost.

Greg Maddux won his 16th game almost as easily as he had over Swift last week — 9-1 — in a complete-game performance. David Justice hit his 35th home run and drove in four runs as the Braves continued to play like runaway division winners instead of second-place pursuers.

"Just like a movie script," said the Braves' owner, Ted Turner. On a night when Barry Bonds went four for four, including his 39th home run, the Braves topped him with timely hitting by Justice, Fred McGriff, Mark Lemke and Damon Berryhill, and a run-saving diving catch by right fielder Justice in the third inning.

"Everybody on the ballclub is swinging," said the Braves' manager, Bobby Cox. "It seems that ever since Fred McGriff came on the scene, everybody's been doing better. Just his presence helps."

McGriff was traded by the San Diego Padres in late July.

Maddux admitted that winning the first game of the three-game series was a major burden cleared.

"To beat the Braves, you have to stay away from the big inning," said the Giants' manager, Dusty Baker. "We didn't. We're still 3 1/2 up. We're not pressing."

Swift collapsed from a three-inning no-hitter to five runs, Braves fourth. A base-loaded single by Justice drove in the first two runs. Berryhill singled on a 3-0 pitch for the third run. And Lemke hit an opposite-field double to left-center for the fourth and fifth runs.

An error on a ground ball by second baseman Robby Thompson hinted again at the Giants' unraveling and opened the way for a three-run Atlanta fifth. McGriff doubled in a run to finish Swift.

In relief, Dave Righetti brushed back Justice, who dropped to the dirt. But as the baseball poet would have it, Justice got up, dusted himself off and, on a 3-0 pitch, sounded Atlanta's sweet end note, the crack of a perfectly hit ball for his 35th home run.

The Giants were playing without two injured starters — first base-

man Will Clark and center fielder Darren Lewis — but more than that they played tentatively.

"They have the better team — we're not doing to deny that," Bonds said. "Right now, we're thinking too much and we're not doing what we're capable of doing."

In other games, The Associated Press reported:

Phillies 7, Cubs 0: Ben Rivera pitched a four-hitter and equaled his career high of nine strikeouts for visiting Philadelphia. Mark Grace got his 1,000th hit for Chicago.

Martins 2, Padres 1: Gary Sheffield's sixth-inning home run against his former team backed Charlie Hough's seven-hit pitching in Miami.

Sheffield, in his first game against San Diego since he was traded June 24, broke a 1-1 tie with his 19th home run.

Astros 10, Mets 2: Pete Harnisch gave up three hits in seven innings, and visiting Houston had a season-high 18 hits as the Astros snapped a five-game losing streak. New York's Dwight Gooden left the game after four innings with in-

flammation in his right shoulder.

Cardinals 7, Reds 6: Bernard Gilkey's two-run triple with two outs in the ninth gave St. Louis the victory over Cincinnati at home.

Expos 14, Rockies 3: Wil Cordero and Larrin Fletcher each drove in four runs, and Gil Heredia scattered six hits in Denver as Montreal extended its winning streak to six games.

Braves 8, Dodgers 2: Joel Johnston earned the victory against Los Angeles with 4 1/2 innings of relief and had his first two major-league hits for the Pirates in Pittsburgh.

Toronto Edges A's in 10th As Chisox Rout New York

The Associated Press

It looked like another blown chance to gain some ground for the Toronto Blue Jays.

But this time, Duane Ward escaped a bases-loaded jam in the 10th and the visiting Blue Jays held on to beat Oakland, 3-2, Tuesday. The victory gave Toronto a 1 1/2-game lead over second-place New York in

The White Sox had 13 hits, including five home runs. Joey Cox and Ellis Burks also hit homers.

The Yankees acquired relief pitcher Lee Smith from St. Louis after the game.

Rangers & Red Sox: 1. Jank Gonzalez took over the major-league lead with his 40th homer and Kenny Rogers won his sixth straight start as Texas beat Boston at Fenway Park.

AL ROUNDUP

the American League East as the Yankees lost, 11-3, to Chicago.

Paul Molitor's sacrifice fly in the 10th gave the Blue Jays the lead. It was Toronto's third straight victory after opening the West Coast trip 0-3 at Seattle, including squandering leads twice late in the game.

Dennis Eckersley gave up a lead-off single in the 10th to Roberto Alomar and was replaced by Rick Honeycutt. Joe Carter followed with a single, moving Alomar to second. After John Olerud struck out, Alomar stole third and Molitor hit a fly ball to center field.

"There's a lot of baseball left but it was a big win," Carter said. "Any time you get a chance to pick up a game on the wins that are behind you, it's a big win."

The victory went to Danny Cox, the fifth of six Toronto pitchers. Ward got the final three outs for his 38th save but not without some trouble.

Rogers allowed six hits in his third complete game and tied Ferguson Jenkins's team record, set in August 1974, of six victories in a month.

Chiefs 8, Angels 3: Mike Pagliarulo tied a career high with four hits, including a two-run homer, and Mike Mussina struck out six consecutive California batters, leading Baltimore in Anaheim, California.

Mussina won for the eighth time in 11 decisions.

Martins 5, Tigers 4: Dave Valle and Dave Magadan delivered RBI singles in the eighth off Mike Hanson as Seattle rallied from a 4-0 deficit to beat visiting Detroit.

Royals 6, Brewers 3: Gary Gans and Hubie Brown each hit two-run homers to power Kansas City in Milwaukee. The Royals snapped a 5-5 tie on George Brett's sacrifice fly in the seventh inning.

Outta There, At Last: Homer Wins It in 22d

The Associated Press

MINNEAPOLIS — It's been a long season for the Minnesota Twins and Cleveland Indians, so it was fitting that they looked up for the longest game in the majors.

Neither team is contending for a pennant, but they still took 6 hours, 17 minutes to settle their game Tuesday. Minnesota prevailed, 5-4, on Pedro Munoz's solo homer to open the 22nd inning.

Munoz's ninth homer of the season, a 390-foot shot to right-center field, came off right-hander Jason Grimsy, the seventh Cleveland pitcher. About one-fourth of the 17,968 fans were still on hand.

It was the longest game of the 1993 major-league season, surpassing the Los Angeles-Philadelphia 20-inning game of July 7.

The game was 30 minutes longer than any previous Twins game and, in innings, equaled the 22 played on May 12, 1972, in the old Met Stadium. The Twins lost that game, 4-3, to Milwaukee.

The Indians had had one longer game: 6 hours, 30 minutes and 19 innings at home against Boston on April 11, 1992. Cleveland's longest previous game by innings was a 21-inning, suspended game with Chicago in May 1973.

SCOREBOARD

BASEBALL

Major League Standings

Team	W	L	Pct.	GB
Toronto	77	57	.573	0
New York	72	62	.538	5 1/2
Baltimore	70	64	.520	7 1/2
Detroit	61	73	.453	16 1/2
Cleveland	48	86	.358	29 1/2
Milwaukee	57	77	.425	20

Team	W	L	Pct.	GB
Chicago	74	55	.569	0
Texas	69	61	.527	5 1/2
Kansas City	69	61	.527	5 1/2
Seattle	65	65	.500	9 1/2
California	59	71	.449	15 1/2
Minnesota	55	75	.423	19 1/2
Oakland	52	78	.397	22

Tuesday's Line Scores

Team	W	L	Pct.	GB
Texas	69	61	.527	5 1/2
Boston	69	61	.527	5 1/2
Atlanta	68	62	.520	6 1/2
San Francisco	67	63	.515	7 1/2
Los Angeles	66	64	.510	8 1/2
St. Louis	65	65	.500	9 1/2
Philadelphia	64	66	.493	10 1/2
Pittsburgh	63	67	.485	11 1/2
Cincinnati	62	68	.478	12 1/2
Florida	59	71	.449	15 1/2
New York	58	72	.443	16 1/2

AMERICAN LEAGUE

Team	W	L	Pct.	GB
Texas	69	61	.527	5 1/2
Baltimore	69	61	.527	5 1/2
Seattle	65	65	.500	9 1/2
Minnesota	55	75	.423	19 1/2
Oakland	52	78	.397	22

NATIONAL LEAGUE

Team	W	L	Pct.	GB
Toronto	77	57	.573	0
New York	72	62	.538	5 1/2
Baltimore	70	64	.520	7 1/2
Detroit	61	73	.453	16 1/2
Cleveland	48	86	.358	29 1/2
Milwaukee	57	77	.425	20

TRANSACTIONS

BASEBALL

ATLANTA—Traded Tim Lincecum, pitcher, to Seattle for conditional draft choice, second-round pick, 1994, and minor-league pitcher, Steve Berman.

CHICAGO—Signed Ivan Calderin, outfielder; Dejanovic Dan Paic, pitcher, by assignment.

CLEVELAND—Worried Dan Williams assistant coach.

N. Y. YANKEES—Put Steve Farris, pitcher, on 15-day disabled list, retroactive to Aug. 31.

CLEVELAND—Signed Steve Berman, pitcher, on 15-day disabled list, retroactive to Aug. 31.

LOS ANGELES—Traded Eric Davis, outfielder, to Detroit for pitcher to be named later.

MONTREAL—Traded Randy White, outfielder, from Ottawa, Ill., to the White Sox.

BASKETBALL

DALLAS—Signed Lucious Harris, forward, to 1-year contract.

GOLDEN ST.—Signed Jay Gooden, guard, to 1-year contract.

INDIANA—Signed Horace Workman, forward, to 1-year contract.

L.A. LAKERS—Signed Trevor Wilson, forward, to 1-year contract.

MILWAUKEE—Signed Greg Risher, center, to 1-year contract.

FOOTBALL

ATLANTA—Traded Tim Lincecum, pitcher, to Seattle for conditional draft choice, second-round pick, 1994, and minor-league pitcher, Steve Berman.

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SOCCER

EUROPEAN CUP

PRELIMINARY ROUND—Second Leg

Chelsea (England) 1, HJK Helsinki (Finland) 1. HJK Helsinki won 2-1 on aggregate.

Flora (Estonia) 1, Akratou (Lithuania) 1. Flora won 2-0 on aggregate.

Cardiff (Wales) 1, Ayr United (Scotland) 1. Cardiff won 4-4, Cardiff won on away goals rule.

Bayern (Germany) 2, Zimbru (Moldova) 0. Bayern won 3-1 on aggregate.

Case Western (U.S.)

Maccabi (Israel) 1, Duquesne (U.S.) 1. Maccabi won 7-1 on aggregate.

Zakaria (Libya) 1, FC Kolar (Slovakia) 1. FC Kolar won 3-0 on aggregate.

Neman (Belarus) 2, Laguna (Switzerland) 1. Neman won 3-2 on aggregate.

Aspet (Cyprus) 2, Bonpur (Northern Ireland) 1. Aspet won 3-2 on aggregate.

ENGLISH PREMIER LEAGUE

Everton 1, Aston Villa 1

Wimbledon 1, Southampton 0

FRENCH FIRST DIVISION

Bordeaux 2, Toulouse 1

GERMAN FIRST DIVISION

Werder (Bremen) 1, HSV Dusseldorf 3

Borussia (Munster) 2, Schalke 2

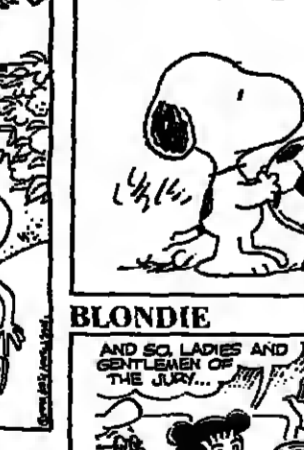
FC Koln 1, FC Nurnberg 1

Eintracht (Frankfurt) 2, Karlsruhe 1

DENNIS THE MENACE



PEANUTS



CALVIN AND HOBBS



WIZARD of ID



REX MORGAN



GARFIELD



JUMBLE

THREE SCRAMBLED WORDS

Unscramble these four American words to form the ordinary words.

GIMAC

TORNS

CAHLE

RESPON

Now arrange the checked letters to form the ordinary answer, as indicated by the above centers.

Answer: "GIMAC TORNS CAHLE RESPON"

BLONDIE



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ART BUCHWALD

Taking Heidi Off Hold

WASHINGTON — When the president came to Martha's Vineyard, I had to put Heidi on hold.



Buchwald

I never met Heidi Fleiss, but she sounds very much like the girl next door. Of course, the girl who lived next door to me was never accused of procreancy, though she did become a lawyer.

in the streets and the high cost of hernia operations. Heidi Fleiss has brought us escape from fire, wars and pestilence.

When I spent the summer, on Martha's Vineyard, the beach was divided with signs — pro-Heidi and anti-Heidi — with the life-guard in between.

The Long Hot Summer of Joe McGinniss

By David Streitfeld

WASHINGTON — He's been called a worthless, money-grubbing, no-talent, fraudulent, lying, cheating, sickening, disingenuous sleaze in newspapers and magazines around the world.

McGinniss' real misfortune was to become a symbol of the excesses of contemporary journalism. As the first-person approach developed by the practitioners of the New Journalism evolved over the last decade into a godlike ability to flawlessly re-create events and conversations based on the memory of one or more participants, an inevitable backlash has been brewing.

print, this is effectively a disaster. As McGinniss himself points out, "The bottom half of the list in August is frankly not a hotbed of competition."

McGinniss, 50, was in a uniquely unfortunate position with "The Last Brother." Those who admired his previous work were disappointed that it wasn't the fully researched, heavily footnoted biography of Senator Edward M. Kennedy they expected.



McGinniss on the uproar over his Kennedy book: "What I said didn't matter."

a kind of confidence man, seducing their subjects and then betraying them. McGinniss hasn't always needed Malcolm to be his worst publicist. For instance, he reminds readers of his 1976 book "Heroes" that a profile he had written of Senator George McGovern shortly after the 1972 presidential campaign was called by the candidate "full of inaccurate and fabricated quotations."

McGinniss responds, "What I wanted to do with this book required me to think and write about Teddy in a way that hadn't been done before."

PEOPLE

A Lion for Spielberg, But Critics Are Roaring

Steven Spielberg will receive a Golden Lion career award at the Venice Film Festival, and many in the Italian film world are angry that the festival is so heavily Americanized.

To no one's surprise, the first round went to David Letterman. "Late Show with David Letterman" got a 10.9 rating — reaching an all-time high of 10.3 million U.S. homes — in its debut on CBS.

President Frederick W. de Klerk announced Wednesday that his son, Willem, who had a highly publicized romance with a black girlfriend, would marry Herman Mostert, who is white, in Cape Town on Oct. 9.

INTERNATIONAL CLASSIFIED

TO OUR READERS IN BUDAPEST

Lindbergh Mementoes Stolen

ST. LOUIS, Missouri — Items commemorating aviator Charles Lindbergh's historic trans-Atlantic flight have been stolen from the History Museum in St. Louis.

WEATHER

Forecast for Friday through Sunday, as provided by Accu-Weather.



Table with weather forecasts for various regions: Europe, Asia, Africa, North America, Europe, Asia, Middle East, Latin America, Oceania.

CROSSWORD

ACROSS

- 1 Latin word
5 Lady of Spain
9 Western Indians
13 Cook book
14 Witch town of 1916
15 Poet Ogden
16 Start of a Mark Twain comment
19 Like an autocat
20 Impatient driver, often

DOWN

- 21 Dos, formerly
22 Crib
23 Suffix with south
24 Twain comment: Part II
25 Ecane, e.g.
26 Author Gardner et al.
27 Twain comment: Part III
28 Mother of Castor and Pollux
29 Chew the (ruminate)
30 "Men Out," 1988 film
31 Arabian Sea gulf
32 Twain comment: Part IV
33 Alphabet start
34 One kind of feeling
35 Retirement-plan initials
36 Meteorite's creoson
37 Point out in a lineup
38 End of the comment
39 German river
40 Unworn
41 Sector
42 Mechanical repetition
43 Stratum
44 Pub missile
45 Stratum
46 Molding
47 Youngest son
48 Mountain ridge
49 Thespian
50 Soup, in a tatter
51 Flag
52 Aircraft designer
53 Liberate
54 Yesterday, in French
55 Mercury's 88 days
56 Domesday Book money

Solution to Puzzle of Sept. 1

Crossword puzzle grid with filled-in words: CAMEL, HURRY, AGALIN, KERRIT, STON, ABB, ERASER, HUN, DAH, SENTRY, ANT, MAME, AGR, HER, ORALISM, ADD, EPA, ENTS, CRO, LAID, ING, ADO, KID, A HOUSE, DIR, BRY, NOUS, STUCK, DEB, ENSUE, AISEL, DBL, KEATS, SCRAM, NAE, ERIR, ETIATS

Large advertisement for AT&T Access Numbers. Text: "I wonder if the little guy had fun today?" Includes AT&T logo and list of international access numbers.

هكذا من الأصل